A REASSESSMENT OF NATIONAL MANAGERIAL PROFILES: A CASE STUDY OF ITALIAN COMPANIES

Massimiliano Ciferri

M.Phil.

London School of Economics

UMI Number: U615793

UMI U615793

Abstract

As organizations are experimenting with new approaches and structures which cut across national borders, the free movement of human resources has come to be regarded as necessary to achieve competitive advantage. Yet the process of international integration is limited by a major stumbling block; national managerial differences. There is little sense in harmonizing accounting systems in all the different subsidiaries of multinational companies or developing global products when the people involved in these projects perceive them differently and therefore are unable to work effectively together.

Many researchers and academics, especially in the 1970s and early 80s, demonstrated the endurance and strength of different national managerial characteristics. These were attributed primarily to their different cultures and backgrounds. Most of the evidence provided, as far as most Western European countries were concerned, served to confirm established national stereotypes. According to this "culturalist" thesis, the British encourage delegation, the Italians are very autocratic, and so on.

The aim of the thesis is to challenge such assumptions about different managerial cultures by putting the culturalist thesis to empirical test. The principal hypothesis is that these national managerial differences are less relevant than was previously thought, and, above all, remain quite difficult to identify.

The research focuses primarily on Italian managers, and compares them to UK managers. While the Italians are described in the literature as autocratic, paternalistic and politically oriented, the UK managers are said to rely on logic, encourage delegation and value adaptability.

The research was carried out with a questionnaire distributed in 2 multinational companies' Italian and UK operations (Unilever and Electrolux/Zanussi) and two business schools (Ashridge and Bocconi). The questionnaire elicited opinions on work-related values and perceptions of practices on questions such as superior/subordinate relationships, career

progression and decision-making. A set of interviews was carried out with a sample of managers from each of the 4 companies in order to obtain qualitative data on the above issues.

The results of this research provide few 'national' managerial differences. Managers from Italy and the UK seem to have more in common than previously thought. When the research focuses on the organizational level, these 'national' differences are also not confirmed. The two organizations from Italy provide significantly different results. Managers in each organization of this study in fact display individual characteristics, which may be related to the organizations' history, geographical location, product area, business environment, and so on. What emerges from this research is that the organizational as well as the national environment in which managers operate is a variable which must be looked at closely. Failure to analyze the data at the organizational level may result in the perpetuation of national managerial profiles which do not conform to reality.

Table of Contents

1

Introduction

In 1983 Theodore Levitt heralded a trend towards the globalization of (some) products and markets with the claim that "the world's needs and desires have been inexorably homogenized". Corporate structures are also 'going global'; today, the location of headquarters is no longer very important, and Research and Development is carried out in global webs (high added-value activities are located with almost total disregard to the company headquarters nation.) [Reich, 1990]. Reich implies that almost all Western MNCs are following this 'global' route, and Japan has only to adapt. Reich's argument is based on a number of observations: cheap computing and telecommunications, the fall of barriers against foreign investment and capital raising, the spread of tastes and standards across frontiers, have pushed more and more firms to compete on a world market rather than on national ones. Top managers around the world stress the importance of their organizations becoming leading actors on a worldwide stage. The old 1960s model of the multinational, with a dominant parent company and an array of stand-alone clones in each overseas market, has been superseded by one in which firms locate production wherever the costs are lowest, and organize on a more equal, global scale. [Bartlett and Goshal, 1989]

But the paths to globalism do not come easy - let alone an adequate understanding of the internationalization process of complex institutions. Globalization is a double-edged sword. Companies assume more risk as a result of globalization. In order to operate in different countries, companies face the difficult task of collecting enough information about that country to make the right decisions on where and how to allocate necessary resources. The centralized decision control system can become ineffective once the activities are spread all over the world. Consequently, companies can become worse off than when they operated only within a few countries; many may have to change their entire management structure to cope with this widespread operation. [Rydz, 1990]

As organizations develop on a global level and grow more complex, the process of integrating managers from different nationalities becomes a pressing reality. Human resource planning and career development are increasingly important elements in the total planning of the organization. Managers must come to terms with issues such as foreign culture awareness, multinational working groups, or the development of an international cadre of managers. [Vineall, 1988] This process of international understanding and integration is made more difficult by a perceived major stumbling block; national managerial differences. There seems to be little sense in harmonizing accounting systems in all the different subsidiaries or developing global products when the people involved in

3

these projects perceive them differently and consequently do not work effectively together. If the global revolution is about to start, it should be first firmly grounded in the minds of those who will have to ride the wave of change. [Reich, 1990]

In their book, In Search of Excellence, [1982] Peters and Waterman made a strong case for the argument that a common denominator underlying the best-run companies in the U.S. was the emphasis that those firms placed on Human Resource Management. The idea followed Drucker's argument [1954] that the function of management is to combine human power, capital and technology to attain a desired level of performance in the organization. Tung [1988] contends that human resource planning is pivotal to the successful operation of a multinational corporation because the capital and know-how could not be effectively and efficiently utilized nor transferred from corporate headquarters to the various worldwide subsidiaries without using human power. Any attempt at economic restructuring, industrial revitalization, or industrial targeting is destined to fail if adequate attention is not given to the planning, management, and deployment of human resources required in these efforts. [Tung,1988]

In the past, these issues seemed less relevant; managers of subsidiaries in far-flung parts of the world talked about daily calls from headquarters requesting detailed numbers about cost, orders, and, shipments. The same managers were required to obtain permission for the smallest expenditures. In the words of one manager: " Every morning at eight o'clock I reported to headquarters only numbers: costs, production schedules, things like that. Corporate strategy or where our plant fit into it all-no, that was never on the agenda." [Beer et al., 1990 p.16]

Today it is argued [Doz, 1989] that this approach is no longer suitable. Intense global competition and deregulation have created much higher uncertainty for firms in virtually every industry. The new competitive environment requires a flexible and adaptive organization, as well as different patterns of work behaviour. Managers must respond

4

rapidly and efficiently to changing customer demands and meet lower cost and higher quality requirements. They are aware that in order to meet successfully this challenge they must improve international coordination and teamwork. Manufacturing costs are influenced by R&D's product design, just as R&D's understanding of the value it is designing into the product or service is influenced by marketing's communication about the customer. [Beer et al., 1990] Many of these activities can take place simultaneously in different countries. Management must be able to draw from all these resources and quickly introduce a successful international, or global strategy. Without commitment and a cooperative spirit, vertical international coordination among management, employees, and unions is difficult, particularly given their different interests. One of the biggest challenges today is how to develop global corporations that demand of employees and instill in them the capacity for internal and external coordination and teamwork, as well as the commitment and competence it requires.[Tyngz,1990] An inability to integrate the international workforce effectively may cause a company's global operations to stagnate or, worse, loose its market share to competitors. [Evans and Doz,1989]

Most processes of international integration or global expansion have yet to deal with a perceived major stumbling block: national culture. Companies willing to acquire new operations or thinking of integrating loose foreign units are today aware that local management is likely to retain its own peculiar modus operandi derived from many years of local experience. The parent company or headquarters, on the other hand, may try to impose its own view on how best to approach and control the business.[Evans, 1992] The foreign operations may also have developed throughout their history an organizational culture which may differ substantially from that of the parent company. So long as the foreign units operate at an autonomous level, these 'cultural' differences may be overlooked. However, when headquarters tries to incorporate the foreign unit into a more

5

structured framework, the mix of the different organizational cultures may eventually lead to conflict. As a result, the process of integration may come to a standstill. [Ronen, 1985] U.S. industry, for example, had a number of problems with its foreign units in the past. Many American companies were predominant in their markets in the post - World War II era because of the ravaged state of economies in Japan and Western Europe. Also, thanks to natural resources and technology, American corporations enjoyed a competitive edge well into the 1970s. This competitive advantage was however achieved at a relatively high human cost. American companies usually sent a group of top managers to head the newly acquired or recently built foreign operation. The rate of failure of these managers, (failure as the inability of an expatriate to perform effectively in a foreign country) has been estimated at around 30% [Adams and Kobashy 1969, Henry 1965, Seward 1975]. Many of these managers had great difficulties in adjusting to the way of doing things locally and could not replicate successfully the lessons learned while at headquarters. This led to incomprehension, frustration, and, eventually, failure.

This experience outlined the strength of national cultures, and companies have capitalized on this knowledge. In a survey carried out in 1984, Tung reported that most of the U.S. and European multinationals in the sample observed used host-country nationals to a much greater extent at all levels of management in developed regions of the world than in the less-developed countries. In contrast, the Japanese MNCs used parent country nationals more extensively in their top and middle management positions in all their foreign operations. He attributes this finding to several reasons: first of all, Japanese multinationals are in an early stage of evolution, and therefore rely on parent-country nationals to establish the business abroad. Consultation and interaction with headquarters, essential for Japanese managers, is easier among fellow Japanese nationals. Language barriers, control mechanisms and lifetime employment among the Japanese also seems to justify the reluctance of Japanese companies to hire foreigners for management positions.

However, Tung acknowledges that the Japanese are beginning to see advantages in using host-country nationals, and many of their manufacturing companies have established localization policies. Tung concludes that problems still remain in implementing such policies, many of which arise from the difficulty of incorporating local nationals into the Japanese industrial system [Matsuno and Stoever 1982; Tung 1984] While Japanese companies are now trying to increase their 'local managerial content' many Western companies have already scaled down on the number of expatriates, relying increasingly on local management skills. This trend has been reinforced by a number of factors such as costs, skills involved, and the notion that national culture is a major factor to be accounted for in the successful management of foreign operations.

The perceived importance of national culture is not a simple impressionistic notion derived from past managerial experience. There is ample empirical evidence which tends to support the notion of the distinctiveness and relevance of local culture. A number of academics, especially in the 1970s and early 1980s, through statistical evidence were able to show, with some degree of success, the endurance and strength of different national managerial characteristics. These differences were attributed primarily to their different culture and background. Most of the evidence provided, as far as most Western European countries are concerned, went to confirm established national stereotypes. The British were delegative, the French autocratic, the Italians heavily politicized, and so on [Laurent, 1985]. The fact that most of these findings have gone since unchallenged may be explained by the fact that the national stereotypes which emerged from the research were, in fact, nothing new. They confirmed with empirical evidence what international managers have been saying, or thinking, for some time. For example, the human resource managers in the Multinational companies covered in the present study have been relying heavily on these "culturalist" works for their training courses.[Vineall, 1987] The statistical evidence on

7

national managerial differences has been supported with managers' own experiences, anecdotes and international case studies on the difficulties of breaking into new markets and adapting to local culture. As a result, while many large companies are, at least theoretically, becoming global, their management is constantly reminded of their national cultural differences. Companies try to bridge this 'national cultural gap' with cultural awareness courses, language training and so on, while anthropologists are called in to unveil and dissect the culture of the companies themselves.

As it will be seen later, there are a number of conceptual and methodological weaknesses in the culturalist approach. Nonetheless, there seems to be broad agreement today among managers [Vineall, 1987] and a group of academics [Hofstede, 1991] that culture is a dominant and critical issue in international business. Laurent at the end of his culturalist work argues that "It may very well be that the management process in these ten Western countries is as much culture bound as their cooking, and that international management has to avoid the trap of international cuisine. National cultures may still offer some genuine recipes."[Laurent, 1981, p. 54]

The aim of this thesis is to challenge these assumptions of different managerial cultures by putting the culturalist thesis to empirical test. The research will focus on Italian managers and uses UK ones as a control group, described in the existing literature as displaying considerably different managerial characteristics. The main hypothesis is that these national managerial differences are less relevant than previously thought, and, above all, quite difficult to identify. Therefore, an "Italian managerial profile" can not be clearly identified. The research will try to show that, while looking at 'national' samples may provide some meaningful managerial differences, when the research focuses also at the organizational level, these 'national' differences may not be confirmed. Every organization in fact

8

displays characteristics of its own, which are related to its history, product area, business environment, and so on. For example, Italian managers working for a foreign-owned consumer goods multinational company based in the north of Italy are likely to display managerial characteristics quite different from those of their peers working for a state-owned steel company in the south of Italy. If the research sample is collected from both organizations, the results are likely to draw a 'national' profile which does not represent either organization. Failure to analyze the data at the organizational level may result in national managerial profiles which do not conform to reality. The arguments in favour of this thesis will be exposed in the following pages. Chapter 1 will contain a critical review of the literature on cross national management, with particular reference to Italian management. The second chapter will outline in detail the aims of the thesis and the research hypothesis. The organizations involved in this study will be described in detail in Chapter 3. The first section of the chapter will analyze the history and present status of these organizations, while the second section will discuss the issue of Italian management. Chapter 4 will test existing evidence on Italian management with the new data collected for this research. Chapter 5 and 6 will describe the results of a series of statistical analyses on the evidence collected for this research. In particular, the tests will focus on managerial values, perceptions of practice and satisfaction with career progression for Italian managers. Chapter 6 will also include the results of the interview programme. The concluding chapter will discuss the main research question set out at the beginning of the inquiry in light of the evidence gathered and highlight new areas of research. The conclusions will argue the main research hypothesis has been confirmed: national managerial differences are not very marked and very difficult to categorize. The data on Italian managers in fact does not reflect the previously identified "Italian managerial profile". Another outcome of the research is that these mangerial differences must be viewed in their organizational context. Organisational affiliation is a variable which must be included in most new research projects.

CHAPTER 1

This chapter provides a critical review of the literature on cross-national management. It is divided into two main sections, to be called Typology of Research and Research Methodology. Under each of these two labels, a number of relevant works are discussed with reference to the perceived problems detected in them. It is also worth pointing out at this stage that in most of the evidence presented here the dependent variables which are being examined tend to differ, and are not always comparable. Some studies look at managerial styles and practices, others at behaviour, leadership beliefs, or managerial processes, and so on. Ronen has attempted a categorization but the results are not definitive. It is therefore very difficult to classify these results according to their dependent variable. As a result, in this chapter the terminology may tend to vary, as no clear research patterns can be identified.

Introduction

"The principal aim of these articles has been to relate the analysis of 'formal organizations' more closely than is customary to some categorizations available in general sociological review. ... The results seem to justify the hope that carrying such analysis further will help to codify our knowledge of organizations more closely with knowledge of other types of social systems and of the social environment within which formal organizations must operate in a society like our own." Talcott Parsons, 1956

Parsons' call for more attention to the 'institutional' and 'cultural' perspectives on organizations was quickly answered: during the sixties and seventies there has been a burgeoning interest in so-called cross-cultural studies of management. Though unified by their interest in the impact of culture on management, it is possible to divide such studies into two broad categories on the basis of their level of concern with respect to the notion of 'management'. First, there are those macro studies of a sociological orientation which

have sought to examine the relationship between culture and the structuring of organizations. Such studies have their origin in the convergence/divergence debate of the sixties"[1] and are fundamentally concerned with assessing the different impact on structure of culture and of other factors (principally level of industrialization) [Dunning and Hopper, 1966; Harbison and Myers, 1959; Kerr et al., 1960]. Though there is still no consensus regarding these matters, there is substantial evidence pointing to an improved understanding of the interrelationships between the variables [Lammers and Hickson, 1979]. Secondly, a great many micro studies have investigated similarities and differences in the attitudes of managers of different cultural backgrounds. Though it is impossible to generalize from their diverse findings, there is some evidence that the attitudes of such managers cluster according to definable cultural groupings. For example, Haire et al.[1966] established distinct Nordic, Latin, Anglo-American, Developing and Japanese cultural clusters.

As far as the organizations themselves are concerned, Child [1981], like other reviewers of the literature, found that the first subset of articles, macro-studies of a sociological orientation, concluded that the tendency was toward 'convergence' among organizations in different cultures whereas the second subset of articles, concerned with micro-studies of managerial attitudes, concluded that the tendency was toward 'divergence'. The convergence argument expressed the view that organizations were becoming more and more similar across cultures and that it would therefore be appropriate to look for and apply "universal" theories and approaches to management becoming more and more

---

[1]According to the convergence theory, the universal industrialization process in the contemporary world will force the occupational structure of different cultures to become more similar. By gradually shaping a society's occupational structure, and consequently society itself, a universal technology could become a convergent force acting on disparate national cultures. [Harbison and Myers, 1959; Kerr et al., 1960]
The divergence theory instead is concerned with the possible stresses in society in the early stages of development-stresses that might result from the introduction of modern technology. As a result, the resistance of cultures to change will probably slow down any existing forces of convergence. [Webber, 1969; Vozikis and Mescon, 1981]

11

homogeneous. On closer examination, Child discovered a second pattern. The majority of the " convergence" studies focused on macro-level issues - for example, the structure and technology used by organizations across cultures. The majority of the " divergence" studies focused on micro-level issues - on the behaviour of people within organizations. Child's conclusion was that organizations in different countries around the world are becoming more and more alike, but that the behaviour of people within those organizations is maintaining its cultural specificity. For instance, whereas the technology used by organizations in Italy and Britain is becoming more similar, the way Italians and British managers behave within those organizations is different, and that difference is being maintained.

Both the macro and micro cross-cultural management studies identified above have been associated with important conceptual and methodological problems. In particular, most are open to the criticism that they have failed to outline and characterize a model of culture which may be relevant to the organization [Evan, 1977] Typically, culture has been treated as a residual variable, that which explains everything left unexplained by variables that are easier to define operationally. Moreover, previous studies have tackled their particular research question in a variety of ways. For example, the Haire [1966] study examined 3641 managers of various organizational levels from various types of firms across 14 countries; Hofstede [1980], on the other hand, used as the sample for his research, managers of similar organizational level from the forty subsidiaries of one multinational corporation. Like a number of other studies [Haire et al. , 1966; Harbison and Myers, 1959] the data employed by Hofstede, collected in the second half of the 1960s, is today quite outdated. The statistical analyses applied have also been criticized; the reliance of some researchers on ecological factor analysis [Hofstede,1976,1980; Laurent,1983,1985] is increasingly being questioned. [Robinson, 1982]. Most of these works also tend to rely solely on

12

questionnaire results. The analysis is usually based on questionnaires originating in one country and distributed in different ones. Few researchers have carried out interviews or visited the companies in the countries involved. There is also no evidence on the type of companies surveyed and the environment in which these companies and their managers operate, nor is there any description of their historical background, which could help to interpret some of the results. Individuals are treated as completely independent agents from the environment in which they act, yet their various differences are usually explained by their different national and cultural background. Also, because of the cross-national aspect of the research, some notions considered in the literature which might be significant for some national managers (for example, in Italy paternalism and clientelism) have not been analyzed in detail. Finally, the dependent variable is often different. Many studies look at a mix of variables such as values, behaviour, attitudes, practices, etc. [Ronen, 1985] with different methodologies, yet the results are often collapsed in a common framework. As a result, it is exceedingly difficult to make comparisons between studies [Jaeger, 1986]

These criticisms notwithstanding, while today the " convergence" studies are seldom mentioned, the " divergence" works, concerned with the behaviour of people within organizations, have been generally accepted and used by academics and practitioners alike. [Tung, 1989; Barham,1990] Harbison and Myers' Convergence Perspective has given way to Hofstede's Culturalist Perspective. This school of thought argues that national cultural differences among managers do exist and are identifiable. [Ronen & Shenkar, 1985; Hofstede, 1980; Schneider, 1989; Laurent, 1983] Different national managers have distinct managerial styles and practices because of their various national or cultural backgrounds. For example, managers from France and Italy tend to respond similarly when compared with English and American managers. In general terms, the Latin European cluster is characterized by little autonomy, paternalism, strong hierarchy and little management

13

satisfaction. On the other hand, in the Anglo-American cluster, managers are relatively independent, willing to take risks, individualistic, and consider performance and results generally very important. [Hofstede, 1980] This chapter will detail why these conclusions are less than satisfactorily; there are a number of problems with the existing literature which challenge the validity of these results. The main studies discussed in this review are Haire, Ghiselli and Porter [1966], Sirota and Greenwood [1971], Redding[1976], Ronen and Kraut [1977], Badaway [1979], Hofstede [1976,1980], Maurice et al. [1980], Griffeth, Home, Deavis and Kirchener [1980] and Ronen [1985]. The criticisms of existing literature will be exposed under the Typology or Research and Research Methodology headings.

Typology or Research

Time of Research

The time of collected evidence spans from the mid 50s to the early 80s. As a result, a lot of this evidence is now outdated; in the last thirty years countries such as Argentina and Germany have undergone considerable social and economic change, albeit in opposite directions. Hofstede's data was collected between 1968 and 1972; twenty years later, his conclusions need to be paired with new evidence.

The early studies of international management were not concerned solely with culture. The bulk of comparative studies of management until the 1960s had been done primarily by labour economists. They tended to find economic explanations for observed differences in managerial styles and strategies. As a result, there is a strong suggestion - though it is seldom explicitly stated - that these differences are primarily associated with differences in the level of industrialization. A descriptive study by Harbison and Burgess [1954] compared U.S. with 'European' management. Their European sample consisted however only of France, Belgium, and Italy - three countries considered similar in many respects. They concluded that:

Workers in European plants seldom talk back to their bosses. Upward communication is neither expected nor encouraged ... In these countries, the paternalistic employer appears to develop in the working forces a feeling of gratitude and dependence mingled with resentment. Socially irresponsible management creates active opposition and outright hatred [1954, p.19]

Harbison and Burgess gave an insightful description of the large 'power distance syndrome', but their extrapolation to ''Europe' seems to some [Hofstede, 1981] as not justified. In a latter study by Harbison and Myers [1959] which collected qualitative evidence on management processes in 12 countries, European countries were no longer placed in one category. In fact, Harbison and Myers, concerned with variation in leadership beliefs, from authoritarian to participatory in countries with different degrees of industrialization [1959] introduced a dimension from paternalism to pluralism: they put Japan, Italy and France on the paternalistic side: Sweden, England and the United States on the pluralist side.

The use of the level of industrialization as an explanatory factor for managerial differences was first criticized in one of the earliest, best known and largest cross-national studies of managerial attitudes [Haire et al. 1966]. The study assembled samples from 14 countries; the groupings of countries that emerge from these data fit remarkably poorly with any hypothesis flowing from the level of industrialization. It first appeared that countries/nations could be clustered according to similarities on certain cultural dimensions. These dimensions typically measure work goals, values, needs, and job attitudes. The discriminant validity of these variables appeared to be supported by the resulting clusters consistently discriminating on the basis of language, religion and geography. The cluster of Spain, France, Belgium, and Italy, for example, or that of Norway, Sweden, Denmark and Germany, provide a mix in terms of industrialization, but an understandable homogeneity in

cultural strain. The authors argue therefore that managerial strategy and practices are inextricably linked with general cultural values. They grouped their results into four clusters: (i) Nordic European (Denmark, Germany, Norway, Sweden), (ii) Latin European (Belgium, France, Italy, Spain), (iii) Anglo-American (England and USA) and (iv) Developing countries (Argentina, Chile, India). These pattern of clusters will be confirmed by many of the following studies. For example Haire et al, find that the Latin European cluster is characterized by little autonomy and a strong sense of hierarchy. Twenty years later Laurent [1985] came to similar conclusions.

Most of the above evidence is today outdated. The Latin countries in particular have undergone in the last twenty years considerable economic and social changes. [Priore and Sabel, 1984 Porter, 1990] It is therefore important to see whether these economic and social changes are reflected in managerial attitudes. New data is needed to test established assumptions.

Research Samples

The samples of managers studied are almost invariably collected from self-completed questionnaires distributed in international, or multinational companies and business schools. From statistical evidence conclusions are drawn on national or cultural attributes. There is no attempt to corroborate empirical findings with interviews and other data, such as company affiliation, company history and structure.

The studies mentioned at the beginning of the chapter are derived from different research samples. The samples reviewed vary from 248 employees in Six Middle Eastern Countries [Badawy,1979] to 88,000 in 66 countries [Hofstede, 1980]. The studies also include, different sample size, response rate, organizational level and size, industry, departmental affiliation and education. In some of the studies the samples seem too small to represent the worker population of the countries involved. Differences in sample size can have an

16

important impact on cluster membership. Sirota and Greenwood [1971] and Ronen and Kraut [1977] re-analysis found Israel to be an independent cluster. Only Badawy reported the rate of response from his sample, which may influence the representativeness of the sample. Haire et al. in fact point out that those who were inclined to cooperate and answer may do so because impressed by modern human relations management.

Researchers tended to link the fact that different studies provided different results to the different research samples used in these studies. In one of his early works, Hofstede [1976], studied three hundred seventy-two middle-level managers from 40 nationalities who attended courses at IMEDE. They scored their espoused values on two paper-and-pencil values tests: Gordon's English version of the Surveys of Personal and of Interpersonal Values. All used the English language form; all but 3 out of the 372 were male. For the 15 nationalities represented by at least 7 respondents, a Q analysis of the scores per nationality group was carried out, which sorted the 15 nationalities into five clusters: Nordic, Germanic, Anglo, Latin, and Asian. Differences between clusters show significant agreement with differences between student samples from the same countries, obtained with translated versions of the instruments. The cluster composition can be explained by both linguistic and other cultural reasons. [Hofstede, 1976] Gordon [1975, 1976] has reported data form student samples for the SIV in 9 out of the 14 countries in this study. The data in non-English speaking countries, however, were obtained with translated version of the instrument. Hofstede observes how a comparison between the manager's cluster profiles and the student profiles on SIV shows that for the Nordic cluster 5 out of 6 plus or minus signs agree, for the Germanic cluster 4 out of 6; for the Anglo cluster all sign agree; for the Latin cluster only 1 out of 6 agrees; for the Asian cluster again 5 out of 6 agree. All in all, 21 out of 30 signs agree, which according to the sign test has a 5% probability to occur by chance, so that he can conclude that Gordon's student profiles for SIV (in spite of the

17

translations) show significant agreement with the IMEDE manager profiles. The lack of agreement for the Latin cluster can be understood because Gordon's data is for Brazil and Italy only, whereas in the IMEDE cluster 40 out of the 65 respondents are from French-speaking Switzerland and from France. [Hofstede, 1976]

Hofstede has extended his early research into a much larger project. On a rather grandiose scale, Hofstede [1980] covered 40 countries within a single multinational corporation, and found clusters not dissimilar to the other researches. His data cover 88,000 responses from employees of a single (American-owned) business corporation, drawing on sub-samples in sixty-six countries both developed and on-the way to development.

Child [1981] raises a number of issues about Hofstede's research. The multinational firm, code-named,'HERMES' in which Hofstede carried out his research, is well known (IBM). But the author does not write enough about the special characteristics of this company especially its particular penchant for conformity by it employees and its lack of enthusiasm for unionization and unions. Moreover, the survey, large and impressive though it is, was originally designed for purposes other than those Hofstede aspires to in the book (and articles that have previously appeared). The scales used, for example to measure power-distance, are less than satisfactory and would surely have been more elaborate if a full-blown academic research project had been originally intended. On the other hand, Child argues that it is a tribute to Hofstede's originality that a fascinating and substantial book has been developed out of the data and analysis. He also notes that " It seems that it is too early to draw firm conclusions in relation to the culture-free versus the culture-based thesis, but this does not prevent us from obtaining theoretically, as well as empirically, interesting ideas from comparative research." [Child, 1981]

18

Contextual Background

The researches often fail to question why differences do exist, and how they can be accounted for, and what can be learned from them. When they do, their arguments tend to be outdated and reflect stereotypical managerial notions.

The peculiar characteristics of Latin management are often compared to the Anglo-Saxon ones. Warner [1981] argues that there might very well be a differential international distribution of two types of bureaucracy - the "classic' versus the "flexible' variant - the first one more prevalent in southern European, the other one in north-west European countries and in North-America. The theory devises two culture clusters categories, dividing bureaucratic values into a Latin and an Anglo-Saxon type. The Latin bureaucracy is characterized by centralization, a large number of hierarchical levels, rigid stratification, high bureaucratic control, low power distribution, low morale, low cooperativeness, and a preference for routine rather than innovative decisions. The Anglo-Saxon bureaucracy is pictured as having the reverse of these characteristics.

In the perceived Latin bureaucracy hierarchy seems to be a fairly important component. Part of the studies by Maurice and his colleagues [Brossard and Maurice, 1976; Maurice, Sellier and Silvestre, 1979; Maurice, Sorge and Warner, 1980] have been concerned to examine the distribution of jobs, professional skills and qualifications within the structure of matched firms located in France and Germany (and more recently in Britain). It was found that there is a systematic difference between the French and German firms in the distribution and valuations of groups of functions and qualifications. In French firms there was greater hierarchical differentiation between groups of jobs compared to that in their German counterparts. The French firms also had more hierarchical levels and a relatively larger

19

.

managerial component. These differences were not associated with technological or scale contingencies. It is concluded that systematic nation-related differences of this kind "appear not only to be explained in terms of structural factors internal to the firm but also with reference to external factors that are peculiar to the social whole of which they are a part" [Brossard and Maurice, 1976, p. 30]. Subsequent research [Maurice et al. 1980] designed to investigate these external factors, similarly to Hofstede, points strongly to national training and education patterns and social mobility which have a bearing upon the extent to which there is differentiation between technical, supervisory and production operative tasks, between production and maintenance, and between line management and specialist 'expertise'. [Child, 1981]

Child argues that in countries such as France and Italy, where managers report a stronger perception of their political role in society, they also emphasize the importance of power motivation within the organization and report a fairly hazy notion of organizational structure. Danish and British managers, on the other hand, express a significant lower political orientation, both within and outside the organization, and a clearer notion of organizational structure. The political orientation of Italian and French managers appears also much stronger than the political orientation of Danish and British managers.

The second area of concern with existing evidence is

Research Methodology

The studies reviewed used primarily questionnaires to look at several variables: work goal importance; managerial styles and practices, management processes, job satisfaction, managerial and organizational cultures, work role and interpersonal orientation, and so on. The question is how can the data be systematically compared when researchers measure different variables? Furthermore, different researchers frequently measured the same variables using different instruments.

Most of the research data in the studies reviewed here has been gathered through the use of self-completion questionnaires (a technique employed by Hofstede himself). However, he is ready to admit that all paper-and-pencil personality measurement instruments share, the same methodological limitations:

1. they are based on self-description by respondents, that is to say his/her espoused values which may differ from those that could be inferred from other behaviour. [Argyris & Schon, 1974] .

2. they are ethnocentric, that is, designed by researchers coming from one particular cultural environment.

3. They are language bound. For uses in other cultural areas, they usually have to be translated [Hofstede, 1976]

The limitation of these findings is also that the value profiles found still represent espoused values, based on self-description by respondents and not necessarily the same as their values in use [Argyris & Schon, 1974]. The extremely low score for " conformity" among U.S. respondents may be a case in point - it could reflect the fashion on nonconformist expressed

21

by" Why can't you be a nonconformist like everybody else? ". Hofstede would therefore argue that it would be very desirable that other kinds of measurements of cultural differences be developed, not based on self-descriptions; they could serve to validate the findings of this and similar studies.

Ronen [1985] designed a map of country clustering based on their dependent variables, emerging from his previous work with Shenkar [1985] & Kraut [1977]. Eight cluster studies emerged from their literature search. They include the studies by Haire, Ghiselli and Porter [1966], Sirota and Greenwood [1971], Ronen and Kraut [1977] Hofstede [1976], Griffeth, Hom, Deavis and Kirchener [1980], Hofstede [1980], Redding [1976] and Badawy [1979]. Two of these studies examined one world region each. Redding [1976] studied eight countries in Southeast Asia, and Badawy [1979] six countries in the Middle East. Although these studies did not perform any clustering of countries, Ronen has still included them in the review. The Arab region because it did not appear in any other study and Redding's work because it includes Indonesia and Malaya which have not been included in other studies.

These studies reviewed several variables: work goal importance, need deficiency, fulfilment, and job satisfaction; managerial and organizational variables; and work role and interpersonal orientation. Since many of the scales employed in these works are a modified list of Maslow's categories, there appears to be a solid basis for comparison. Five of the studies referred to work goal importance: [Haire, Redding, Sirota and Greenwood, Ronen and Kraut, Hofstede]. Five surveyed need deficiency, fulfilment, and job satisfaction. [Hofstede, Ronen and Kraut, Badawy, Haire et all., Griffeth et all.]. Four other studies include managerial or organizational variables [Haire et all, 1986; Badawy, 1979; Hofstede, 1980, Griffeth et al., 1980], and three examined work role and interpersonal orientation [Haire et all, 1986; Redding, 1976; Hofstede, 1986] These are the most sophisticated

22

efforts in clustering work attitude by nations and the variables examined in the studies overlap.

Ronen, looking at these previous studies and drawing from the similarities of results across the reviewed studies, has created a synthesis of the eight studies. The result is a map using per capita GNP as a general guideline for the concentric distances from the centre of the maps. [an idea derived from the early work of labour economist such as Harbison & Myers, 1959] That is, the nearer to the centre a particular country is placed in comparison to other countries, the higher its GNP per capita is compared to those other countries. The most highly developed countries are close to the centre, indicating the effect of the level of development on the countries' values and attitudes. Three main clusters emerge from the chart; they almost always identify Anglo, Germanic Nordic, and Latin European groupings respectively. In Latin Europe its more consistent members were France and Belgium; when Spain, Italy and Portugal were included in a study, they also fell into this group; Spain was usually closer to Italy, while France to Belgium.

It appears from previous research that countries can be clustered according to similarities on certain cultural dimensions. They are work goal values, needs and job attitudes. The discriminant validity of these variables is supported by the fact that the resulting clusters consistently discriminate on the basis of language, religion and geography. Ronen argues that it seems certain that the cluster approach to mapping cultural differences provides an indispensable tool for international managers. Cluster studies offer a substantive method for assessing other cultures. In the process, Ronen groups the methodologies employed in a number of earlier studies. The universalist stance of labour economists, which appeared to link managerial attitudes to the level of industrialization is paired with different currents of thought, such as the 'culturalist' wave of the 1970s; mixing the two approaches may not

23

lead to useful classifications.

Finally, previous studies have limited themselves to the analysis of managerial values, that is, what kind of management system managers would like to work under. They have not explored the kind of management system manager are actually working for. In other words, there has been almost no attempt to link the value statements of managers with how they actually perceive their company to be working. For example, is there a relationship between how managers would like to see career progression and management development programmes to operate and what they perceive to be the actual practices of the organization in these areas?

Research Tools

Little is know on the research tools employed, the quality and the amount of the field work; the results are often presented without describing how they were collected.One of the major drawbacks of many comparative studies is that they do not provide a sample of the questions used for their analysis.

Due to the lack of information from previous research, one is left to conjecture about the structure and methods of the research, while it would be important to look at the research instruments employed for a better interpretation of the results. Quite often a set of interesting results cannot be thoroughly studied since there is almost no information on how the data was gathered. Seldom there is information on the content of the research instruments (usually questionnaires) and how the data was gathered (mailed questionnaires, face to face interviews, etc.)

It is known, for example, that the Haire et al [1966] research used deliberately broad questions, for instance: "The average human being prefers to be directed, wishes to avoid responsibility and has relatively little ambition. Do you agree?" Hofstede's power distance

24

also consists of three fairly broad questions, one of which asks subordinates whether employees in general are afraid to disagree with superiors'.

The way researchers get to their conclusions is difficult to assess when little information is provided on the research instruments and methodology employed. It is hard to take much of the research evidence at its face value. A significant example of this is provided by Lammers and Hickson [1979]; in a book on comparative organizational study, they put forward a theoretical argument based on a division into two main country clusters and supported by evidence of a variety of studies, including Hofstede's. Some of the results are quite interesting, the most relevant to this study being the clear identification of the difference between the Latin and the Anglo Saxon types, which originate, as usual, mostly from a French/British/German contrast. Yet, once again, there is no research material available to explore and justify how and why these results emerged.

For example, if one looks at the 'average' Latin European cluster, France is usually the most common country analyzed and is often used to classify other Latin management styles. France however does not represent Latin management as a whole (if indeed such a concept really exists). In particular, the methodology used to assess France's 'managerial culture' may not be appropriate for Spanish or Italian management. Their different educational and industry system may have generated very different and unique 'managerial cultures'. Clark and Crozier [1972] mention in France characteristics such as centralization, a rather rigid stratification, while in Britain bureaucratic rules are applied in a more flexible way. In the British case, there is not so much conflict and the firm's capacity for change seems to be greater. Is this sufficient evidence to categorize Latin management as different from the Anglo-Saxon one?

At first glance, it would appear so, since most of the other research is on the same lines.

Aiken and Bacharach contrast the Walloon and Flemish local administrations; they mention the resemblance between the typical Walloon bureaucracy and the French and wonder if in the description given by Crozier of French bureaucracy one could recognize a southern European, Latin type of bureaucracy. Likewise, Kuty [1976] finds what he calls a 'hierarchical structure' in two of the French and Belgian (Walloon) kidney units he studies, which again show characteristics in tune with the 'classic' model of bureaucracy. The sketch Maurice offers of French firms fits quite well with the pictures painted by Clark (Crozier) and Kuty as far as centralization and the rather rigid system of stratification go. Some other features pointed to by Maurice - many hierarchical levels, a high supervisory ratio and sharp inequality between grades and remuneration - do not occur in the other descriptions of the Latin type, " but could be very well be bound up with pronounced stratification. Moreover, Granick's data on the reward system in French industry agree with those of Maurice." [Lammers and Hickson, 1979]

Clustering vs. non-Clustering

The debate on the relative values of culture cluster studies versus non-cluster studies is still open. Although researchers in the 1970s in particular [Ronen, Review of studies, 1986] argued in favour of clustering cultures, other researchers feel that cluster studies exaggerate the differences between countries.

Hofstede's research [1976, 1977, 1980] provided solid back-up to the culture clustering argument. Hofstede provides four basic benchmarks against which each country can be measured. First, the Power Distance Index (PDI); second, the Uncertainty Avoidance Index (UAI); third, the Individualism Index (IDV); and last, the Masculinity Index (MASC); these should tell us how far managers in a given country accommodate to authority (or not), avoid uncertainty (or not), pursue an individualistic course (or not), or exemplify male chauvinistic values (or not). The empirical basis for Hofstede's generalizations is ample indeed. His

ranking of countries on the PDI index can also be arranged into two broad clusters not very different from the Haire et al. [1966] clusters described above. Hofstede's first group includes: Nordic countries (Denmark, Sweden, Norway, Finland), Germanic countries (Austria, Switzerland, Germany, Netherlands) and Anglo-American countries (New Zealand, Ireland, UK, Australia, Canada and USA). The second broad cluster is made up of Latin European and Mediterranean countries (Italy, Spain, Greece, Portugal, Belgium, Turkey and France).

Culture clustering is however not supported by all researchers. A few researchers take a different view, feeling that cluster studies greatly exaggerate the differences between countries. [England & Negandhi, 1979; Schaupp & Kraut,1975; Griffeth et al.,1980]. Ronen [1979] rated fourteen work goals by employees of the national affiliates of a multinational electronic company in five different industrialized countries. According to the study's results, the structures of work-related values systems are similar, regardless of employees' nationality and their work setting. Across countries, certain needs and goals tend to cluster together and to be relatively distant from others. The research also highlights the nature of the distinction between self-esteem and self-actualization. Hickson et al. [1974] proved from research in three countries that the culture-free hypothesis was sound by demonstrating that many relationships are stable across societies. In an eight-country comparative study of managerial attitudes and decision making behaviour, Heller and Wilpert [1979, 1981] find a variety of significant country differences but no consistent culture pattern. They included France, Holland, Sweden, Israel, Spain, Sweden, The United Kingdom, the United States and West Germany. A number of statistical methods were used to test for country effects. Neither the two Latin nor the Anglo-German countries show characteristic profiles on leadership style or on attitude to their jobs, skills, environmental pressures or job satisfaction. Nevertheless, interesting differences between

27

countries were found on most of these variables, for instance on the extent of centralized versus decentralized decision styles. Contrary to the culture cluster thesis, French as well as Swedish top managers used decentralised styles, while British and American managers used more centralised methods [Heller and Wilpert 1979]. The authors believed that the judgement skills of those who are managed is of crucial importance as a predictor of managerial competence rather than just the skills themselves. American top managers score highly here: British managers much less so. Indeed the latter do not come out too well in the international comparisons. Organization structure, technology (depending on the sector), national differences and environmental uncertainty loom large as determinants of managers' behaviour. Thus, they argue, there is a clearly articulated contingency theory of managerial competence and power which will have a major impact on future research in the field.

Heller and Wilpert do not accept any facile views concerning culture as contingent. They argue that their findings suggest that any proposition exclusively expounding the culture-free or the culture bound theorizing of management behaviour should be viewed with great caution. "This holds also for sweeping generalisations about 'cultural clusters'; that appear to conform to readily available preconceived notions of cultural affinity between countries or those encompassing simplistic world views" [Heller and Wilpert 1979, p.50] It would seem to take issue with the approach offered by Hofstede. Their approach is more eclectic and complex. They argue that only: " ... by linking all three aspects, societal contexts, normative frameworks, and the microstructural facets of task and skill patterns can we hope to comprehend more thoroughly the dynamics and social consequences of one of the main organizational problems of our time, participation" [p. 115]

Other studies also tend to give 'cultural literature' lighter significance. The IDE (International Research Group) [1981] first tested the simpler and more rigorous hypothesis that coherent country clusters or profiles do exist. Two approaches were chosen, 'blind' methods and the testing of previous country clusters identified by other researches, but neither yielded very convincing results, although the second approach reproduced some support for the Latin versus non-Latin country hypothesis.

Similar non-culture cluster findings are reported from a 12 country study on managerial objectives [Bass and Elridge 1973] and from a large cross-national comparison of managerial values of over 2500 respondents in 6 countries [England 1975]. In the study of values, organizational context seems to be an important predictor, union leaders were quite different from managers, company size and career success were important factors. There was a surprising similarity in value systems of managers from such different countries as the USA, Japan, Korea, India and Australia. [Warner, 1981]

Concept of Culture

The terminology employed is general, and, at times, unclear. Concepts such as culture (country or organizational) or nation are exploited without consideration of their wider significance. Also, there are no clear definitions of what is meant by culture and what relationship exists between culture and management.

The anecdotal basis of studies of comparative management ensured, at least in the early days, that differences could be ascribed to 'culture' in so far as they could not be put down to other common factors present. This is not to say that the 'universalistic' approach has been wholly abandoned, but the role of 'contingency' has been increasingly emphasized. If 'culture' is put forward as a candidate, the question is what precisely is meant by such a term, and whether what it purports to describe is the case. Child [1981] argues that "Cross cultural studies, if we may generalize, proliferate in all the social sciences, but they usually lack a theory of the key variable: culture itself. Names of countries are usually treated as residues of unidentified variance in the phenomena found".

Child [1981] has put forward a worthwhile attempt to reconcile the existing divergence of findings and develop a more eclectic analysis of country differences. Incorporating the data and theoretical positions of a variety of approaches, including Lammers and Hickson [1979], he argues for a three-pronged attack. He would use a theoretical framework with pre-specified variables covering contingencies (i.e size, technology, level, etc.) culture (social institutions, labour movements, expectations about norms, etc.) and economic system variables (ownership of means of production, economic centralization, etc.) This seems, to a certain extent, to fit with Hofstede's thinking. Hofstede in fact argues that people carry 'mental programmes' which are developed in the family in early childhood and reinforced in schools and organizations, and that the self-same programmes contain a component on national culture. They are most clearly expressed in the different values that

predominate among people from different countries.

But what is exactly meant by culture? Anthropologists, who were the first to develop the concept, generally view culture as a complex system which is all-embracing of a society's " folkways". This holistic perspective is consistent with their traditional concentration on primitive societies which could be studied as totalities. Tylor's classic definition exemplifies this perspective: Culture ...is that complex whole which includes knowledge, belief, art, morals, law, custom, and any capabilities and habits acquired by man as a member of society" [Tylor, 1924, in Child, 1981]   Kroeber and Parsons [1958] made a distinction between the concept of culture and the concept of social system, a distinction which Parsons elaborated more recently [1973]. Kroeber and Parsons suggested that the concept "culture" should be confined to "transmitted and created content and pattern of values, ideas and other symbolic meaningful systems as factors in the shaping of human behaviour", whereas the term " social system is used to designate the specifically relational system of interaction among individuals and collectivities" Kroeber and Parsons [1958, in Child, 1981]

Child argues again that culture responses are at least in part a function of the format used for the stimulus question. Fairly broad general questions, not relating to specific identifiable current behaviour, have tended to predominate in research studies that have found fairly clear culture differences. "Questions should be specific and on the aspects of their day-to-day behaviour: the more general and broad the question format, it may attract responses that are anchored in something analogous to a group's collective unconscious or to their early upbringing and family imbedded values. When the stimulus question refers to identifiable and specific situations, familiar to the respondent, the answers will tend to be descriptive of that situation and will attract less of the free floating group-determined values and preferences." [Child, 1980, p. 313]

The distinction between national and organizational culture is also often blurred. In a series of papers written in 1983 in the Administrative Science Quarterly Smirchich [1983] summarizes the works by saying that :" There is little here to suggest, as much of the popular press coverage on organizational culture does, that a 'strong' culture will assist in adaptation to environment change." [1983, p. 338] The collection still lacks a broad, societal analysis exploring the modern corporation as a cultural form. There is a tendency in all of the papers presented to stress the internal, rather than to look to the external, societal , cultural context within which organizations are embedded. [1983] Smircich claims that different conceptions of culture among organizational analysts generate different research questions and interests. " The differences in approach to the organization-culture relationship are derived from differences in the basic assumptions that researchers make about both 'organization' and 'culture'. " [1983, p. 339] thus the task of evaluating the power and limitations of the concept of culture must be conducted within this assumptive context. As far as culture in comparative management studies is concerned, Smirchich [1983] argues that culture is considered to be a background factor (almost synonymous with country), an explanatory variable [Ajiferuke and Boddewyn, 1970] or a broad framework [Cummings and Schmidt, 1972] influencing the development and reinforcement of beliefs. The literature can be thus segmented into that with a macro focus, examining the relationship between culture and organizational structure, and that with a micro focus, investigating the similarities and differences in attitudes of managers of different cultures [Everett, Stening, and Longton, 1982, in Smirchich, 1983] In practice, however, with the exception of Everett, Stening and Longton [1982] most comparative management research leaves the concept of culture undeveloped [Bhagat and McQuaid, 1982]

Still, charting differences among cultures, locating clusters of similarities, and drawing

implications for organizational effectiveness is regarded as very useful. Smirchich [1983] argues that the practical utility of such research would be evident for multinational companies, and also to the others companies at large due to global interdependence, and cites Theory Z [Ouchi, 1981] and The Art of Japanese Management [Pascale and Athos, 1981] as examples of popular successes.

Nonetheless, culture, in comparative research on organisations, is seldom studied on its own as a major factor but rather grouped with other, less relevant factors. This problem has been analyzed in a seminal article by Roberts [1970] who reviewed 526 publications and found that only 54 per cent based their arguments about culture on empirical data. She came to the conclusion that, even where data were available, the conceptualization was usually descriptive, vague, and ignored the impact of alternative factors like technology or structure which probably accounted for a larger percentage variation of the dependent variable. Child [1981] has also made similar criticisms and has expanded the debate on the role of culture. When the vast literature that later accumulated of a more 'scientific' type was put to test, as, say, by Roberts [1970], it emerged that more questions were left unanswered than were satisfied. Warner [1981] argues that since then, further studies have summarized the studies at hand [Haire et al. 1966; Heller and Wilpert 1979; IDE Group 1981, etc.] and the degree of discontent remains perhaps even higher than previously. Nonetheless, Warner admits that it is difficult to approach the topic dispassionately, since "the use of culturalist arguments has now become part of 'conventional wisdom' among many students of management" . [Warner, 1981, p.217] Today, in fact, there are probably over a thousand empirical studies on management and 'culture'. [Warner, 1981]

Today one of the most common definitions of culture adopted by researchers in Organizational Behaviour is given by Schein [1985]. He develops his model of culture on

three different levels. The first level is made up of artifacts, creations, the visible and audible

behaviourial manifestations of underlying assumptions. They are easy to see but hard to

decipher. For example, in one company all the office doors are open. What does it mean?

One could gather clues from the visible and hearable environment but it rarely provides

answers. In the second level Schein asks questions in order to elicit values. Asking

managers why they do what they do can help understand the reasons behind some of the

behaviours. Doors are always open because the President values communication very

highly. The values are the manifestations of the culture, but not what could be thought as the

driving force or essence of the culture. It is only in the third level that some of the "essence"

of culture can be inferred. The Learned underlying assumptions are, in Schein's view, what

really drives or creates the values and overt responses. Culture is therefore the patterns of

underlying assumptions which are implicit, taken for granted and unconscious, unless they

are deliberately surfaced by some process of inquiry. Schein's analysis focuses on the

company per se, regardless of its origin or the nationality of its employees. It would thus

seem that these assumptions are the results of the basic understanding of the nature of

human activity and relationships, the nature of reality and truth mixed with the personal

experience in one or more organizations. Culturalist researchers [Adler 1983] argue that his

model can be applied to both corporate and national culture [Schneider 1988, Laurent 1986]

with the understanding that the influence of national culture is such on the underlying

assumptions that corporate culture would have little impact on it. [Laurent 1986] Although

it could be argued that changes in behaviour may in time affect underlying assumptions, the

unconscious nature of these assumptions makes it improbable [Schein 1985] What really

seems to matter in Schein's model is the third level, the learned underlying assumptions.

These assumptions relate to the nature of human nature, the nature of reality and truth,

embodying very fundamental conceptual categories about time, space and the nature of

things. He labels these assumptions rather than values because they tend to be out of

awareness, taken for granted, viewed as automatically true and non-negotiable. Values are debatable and discussible; basic assumptions are not. Schein argues that if he asks why a door is always open and he is told that the President wants so, that answer is to be considered a value. It is not clear however whether it is one's absolute perception of the world or the surrounding environment or the result of the subtle indoctrination which goes on in each company, or perhaps both, and if so, if it is proper to call it a value.

Nevertheless, his approach to culture seems to have been received very favourably among academics and practitioners alike. If one takes his definitions at face value, it appears that most of the literature reviewed so far had little to do with the real core of culture, the learned underlying assumptions. The research methodology and instruments employed so far in fact do not appear adequate to tap Schein's underlying assumptions. Schein operates as a clinician, immersed in the operations of the company. Eventually, he may be able to identify these assumptions. Most other researchers have not. They have sent out questionnaires and analyzed quantitatively the ones which were returned. Their heavy reliance on statistical methodology makes their extrapolations on culture unjustified. Schein's paradigm is a constant reminder of the weakness of the articles so far examined. It appears that most of the literature so called 'cultural' has in fact wrongly used the most important variable, culture itself. Most studies looked at a mixture of perceptions, behaviours, attitudes and so on. In fact they may have looked at what could be called here 'environmentally acquired habits'; procedures, external behaviours and attitudes acquired while working for a specific company. Whether these habits represent culture, is very hard to say.

Statistical Analysis

The level of statistical analysis is open to question, in particular with respect to the common use of ecological factor analysis. Individual factor analysis has been identified as more appropriate. It appears that individual and ecological factor analysis will yield different

results from the same data set. [Robinson, 1982]

Haire et al. [1966] used factor analysis to study cognitive descriptions of the managerial role through a semantic differential technique. Factor scores were calculated on the bases of the factor loadings of the nine scales comprising that part of the study. To create country clusters, the authors obtained a correlation matrix on the basis of all three parts of their study, each given equal weight. Countries were grouped on the basis of similarity, each cluster consisting of countries similar to one another and dissimilar to countries in other clusters.

A Q (inverted) factor analysis was used by Sirota and Greenwood [1971] and by Hofstede [1981]. In his 1980 study, Hofstede performed factor analysis within and between groups (ecological). He acknowledged trying smallest space analysis with very similar results to factor analysis. Hofstede [1980] preferred factor analysis because of his greater familiarity with this method.

Griffeth et al [1980] used the generalized Pythagorean distance measure (D^2) to measure profile similarity. Cluster analysis was applied to the D^2 scores to create country clusters. The authors applied a one-way multivariate analysis of variance to determine the main effect of nationality. A multi-group discriminant analysis was performed to interpret the results of the analysis. The only use of nonmetric multivariate analysis was by Ronen and Kraut [1977], who employed the technique for their own data as well as for their reanalysis of the data in Haire et al. [1966] and Sirota and Greenwood [1971]. The consensus among researchers that multivariate analysis is vital to the process of clustering raises the question of whether metric or nonmetric techniques are preferable. It appears that there are advantages and disadvantages to each method. [Roberts,1982] There is also a general consensus that, among all of the evidence, Hofstede's work stands out as "one of the major landmarks of cross-cultural research" [Triandis; 1982, p. 90] and "the standard we will use

for many years to come" [Korman; 1985, p.243]

Those who have paid closer scrutiny to Hofstede's methodology, however, take a different view [Robinson,1982]. Hofstede did use factor analysis, but only at the very end of the analysis process, in order to fit the total picture together. It should be noted in fact that all the analysis from Hofstede's work reflect an "ecological" level of analysis - correlations among items in each scale and factor analysis used to define the measures use mean scores from respondents aggregated at the national level before being subject to analysis. In other words, each item in Hofstede's questionnaire produced a single data point (the mean score) for each country in his analysis. Analysis at the individual level reveal an entirely different picture from analysis at the ecological level. For example, correlations among the three items measuring Power Distance are significant only at the national level, whereas the correlations among items at the individual level of analysis are virtually zero [Hofstede, 1984, p.76] Researchers have also criticized the domain of items that measure each cultural dimension [Robinson, 1982] and labelling of the dimension [Jaeger, 1986; Triandis, 1982] They also argue that although Hofstede's measures and analytical procedures have been subjected to criticism, organizational researchers should probably be more concerned with the level of analysis issue. The ecological level of analysis severely restrict the meaningfulness and usefulness of the scales for those researchers who operate at the micro level of analysis. For instance, Hofstede asserts that the Italian culture is much higher on Power Distance than is the United States culture. One implication of this is that traditional US management techniques such as MBO may not succeed in Italy. This is due to the managers' reluctance to trust subordinates enough to delegate important work activities in addition to the lack of egalitarianism needed to make participative MBO programmes succeed. Nevertheless, because the scale taps only Power Distance at the national level, it cannot measure individual or company differences and thus does not allow us to identify

specific individuals, companies or situations where MBO might be effective. From a selection and training perspective, an individualized measure of the construct would be extremely valuable. Robinson [1982] argues that the use of high intercorrelations (or factor loadings) on the ecological level as the basis on which items are selected for inclusion in the four indices makes many within-country comparisons (between companies, individuals, occupation or sex, for example) impossible, because the items do not form reliable scales except on the country level. The Power Distance index does not scale for individuals or sexes; the Individualism and Uncertainty Avoidance indices do not scale for individuals, occupations, or sexes; and the Masculinity Index does not scale for individuals. This means that most within country analysis are effectively precluded by Hofstede's choice of items. For organizational researchers, a measure valid at the individual level would allow to move beyond broad generalizations about national cultures. Separate factor analyses in the 40 countries would have yielded some universal (etic) factors as well as some culture specific (emic) factors. The same selection of items should then be used in all the countries, with at least four items, loading on each etic factor, included to obtain sufficient reliability. [Triandis 1982] Researchers could better identify and specify relationships among organizational variables that are sensitive to certain cultural differences.

Notwithstanding the criticism of Hofstede's research, Triandis [1982] has noted that the four dimensions identified by Hofstede *make sense* and are important cultural characteristics.

The above remarks on the role of statistics in general and the use of ecological vs. individual factor analysis in particular have not, in turn, generated new or improved methodological techniques. The critiques on ecological factor analysis have not been followed by convincing empirical evidence in favour of different or innovative techniques. Most of the new evidence [Laurent, 1985] still relies heavily on a mix of statistical analysis with very little

qualitative data. In fact, the latter is more often based on speculation than on field research.

The Power of Culture

Despite considerable methodological problems, culturalist academics such as Adler [1983] still argue that national culture differences have tended to be ignored by many management researchers, but recently have been given increasing attention, and should be at the centre of future research [Hofstede 1980, Laurent 1983]

This wave of cross-cultural (as the term itself indicates) research best represents the theory of cause and effect; it stresses the importance and influence of cultural differences and their role in affecting beliefs, attitudes and behaviour. It accepts a greater degree of determinism than does the organization culture concept. Newly hired people bring with them a cultural imprint which is more significant than organizational culture. It stresses the indelible influence of national culture on adult behaviour. These culturalists, contrary to the image of multinational management as being"beyond passport" [Heenan and Perlmutter, 1979], see managers and employees fundamentally conditioned by national culture. It seems that culture has been rediscovered again, this time by the organizational theorists. Nath [1986] reports that a number of conferences had been organized by academic institutions and societies. At the 1984 annual meeting of the Academy of Management in Boston there were four sessions devoted to this area; the following year the number reached seven.

The last evidence which still favours country clustering is provided by Laurent [1983, 1985]. In his business school research (very similar to Hofstede's work at IMEDE), he identified the usual European national clusters. The issue then, as he points out, is whether similar differences in management and organizational concepts would persist within the potentially homogenizing, corporate culture of a single multinational company, or whether the multinational company would be sufficiently strong and pervasive to swamp national

differences. In order to test the above hypothesis, his study carefully matched national samples of managers selected from a large, US-based, multinational, chemical firm with subsidiaries in France, Germany and Great Britain. Although a few similarities, perhaps due to corporate culture - did appear, the results clearly indicate the consistent and pervasive effects of national cultures for the three countries involved. A homogenizing effect of a large multinational corporation toward standardization of managerial concepts across national cultures was not found in these data. If anything, the author suggests, the opposite hypothesis could be advanced. "A second analysis with another multinational demonstrated once again an intriguing overall stability of the national pattern of managerial ideologies, given the very tight conditions of the research design." [Laurent, 1981, p. 563]

Laurent's research evidence has been welcomed by many. Companies in particular often describe his findings as the last word on cross-cultural management. Paradoxically, Laurent's findings, while extremely popular, are also fairly weak. In one of his articles [1983] he reports 5 clusters made up of a total of 13 questions in which managers differ substantially on the basis of their nationality. The 13 statements reported were part of a wider group of 60 general questions distributed to a sample of managers at INSEAD. The dangers of using business schools managers as research samples have been described before. What is of concern here is the reliability of Laurent's findings. There is no evidence on the remaining 47 statements. Do they fit neatly with the reported clusters, or perhaps, they provide contrasting evidence? There is a tendency in cross-national research to focus on managerial differences, leaving aside similarities, which are, in fact, equally interesting. Researchers appear to be scouring the data looking for 'sensible' differences which confirm pre-designed methodologies or more general stereotypes. Any new research should provide samples of all the materials used and description on where each statement fits in the resulting evidence.

At the same time, the IDE group claims that explanations of cross-country difference vary and some authors are content to describe the existence of differences without offering reasons for them. They argue that, if significant country or societal differences emerge repeatedly in different studies, causal explanations should be sought in the form of measurable independent variables. Major candidates for such analysis are child-rearing practices, educational systems, socio-structural factors like class and religious practices, economic factors and legal-political systems. [IDE, 1981] Furthermore, is there such a thing as national culture? Is there good research on 'national culture' as such? The general practice to date has been to use the nation state as the unit of analysis. This practice has come into increasing question lately, however; several authors have criticized it as potentially misleading [Roberts and Snow, 1973; Elder, 1976; Poorting, 1977; Berry, 1979] The criticism put forth by these researchers stems from Triandis' seminal work which coined the term 'subjective culture' and noted that differences in perception of the environment exist within a nation.

Conclusions from Existing Evidence

A lot of the research evidence to date has been accepted and assimilated.[Vineall, 1987; Hofstede, 1991] One explanation may be that, as previously mentioned, the evidence and statistical data on national differences confirm traditional national managerial stereotypes.

Heller and Wilpert [1979] warned against "sweeping generalisations about 'cultural clusters', that appear to conform to readily available preconceived notions of cultural affinity between countries or those encompassing simplistic world views". Yet current evidence suggests that these sweeping generalizations are today readily accepted. To argue that a Swedish manager is delegative and a Spanish one authoritative is, to a certain extent, almost expected. The way in which one derives these conclusions may be of lesser importance since these conclusions, as Triandis [1982] has argued, 'make sense'. If instead, one argues that Swedish managers are quite autocratic, the research methodology and evidence would be likely to be scrutinized since they contradict expected national stereotypes.

In cross-national studies the concept of culture has been generally mis-used or mis-interpreted. One should give credit to comparative and cross-cultural researchers for realizing the importance of culture and the role it plays in explaining economic and especially management behaviour. However, these scholars have not developed an operational definition of culture which is rigorous and meaningful. In spite of finding some interesting differences among nations [Sekran, 1983], cross-cultural management research has failed to develop a useful theory or model explaining the role of culture in business or management studies. [Nath, 1986]

What should the next research be like? What emerges from the latest research and writing on cross-national management is that multi-country, over-quantitative studies are now being discouraged. Academics such as Hofstede [1985] and Warner [1981] support the idea of

researching fewer countries more in depth. A good understanding of these countries and their management is critical for any meaningful research. Also, statistical evidence ought to be integrated with qualitative data such as company's history or personal interviews. Contextual variables are also seen as very important and instrumental for a better understanding of the research data. Unfortunately, there is little evidence to suggest that this is happening. The field of cross-national research seems to be in a period of transition and little new research has emerged. Davis and Rasool [1988] give a new interpretation to England's data. Other works by Dorfmann and Howell [1988], Enz [1986], Tung [1984], Cheng [1989] add little of significance to the debate.

It appears that the field of cross-national managerial research has suffered a setback in the mid 1980s. Most of the attention in the period had been paid to the methodologies and validity of previous studies. Newcomers to the subject [Nasif et al; 1991] identified with analytical rigour the shortcomings of existing knowledge, yet provided little supportive new empirical. Most importantly, the debate is still lingering on the choice of the most appropriate quantitative techniques, ignoring another important aspect of cross-national research, the role of qualitative evidence. Instead of exploring new ways of integrating sound and reliable analytical evidence with qualitative data, ever more sophisticated techniques were used to re-interpret old statistical data (see Ronen [1977] study on Haire [1966])

A number of factors could explain why researchers are reluctant to tackle these research issues:

- Time. Cross-national management research requires a considerable amount of time spent organizing and collecting the data before even beginning to analyze it.

- Funding. If local interviews are carried out and material is collected, travel and

accommodation expenses quickly dent a researcher's budget.

- Access. Organizations must agree to the project and at times impose their own limitations and timing. Consequently, obtaining matched samples in each organization is quite difficult.

- Recent topic. Only the last 30 years have been dedicated to cross-national managerial studies, a topic which is intrinsically subject to constant evolution.

- Methodological difficulties. Cross-national management research contains a number of important variables, which, if all taken into account when drawing a research plan, would make the plan itself almost impossible to operationalize. Generalizations and simplifications are therefore necessary, but will always leave most researchers' efforts open to criticism.

For those still wishing to embark on a cross-national project, it could be argued that, on the strength of previous criticism, new studies should;

 - avoid, general, large multi-country studies, and instead focus on particular countries and companies.

- require a good understanding of the countries and companies studied, which should provide sufficient material to explain and justify the results.

- use values and perceptions, that is how managers would like to see a management system operate and what they actually see their own management system as operating.

 - avoid, as much as possible, the issue of culture, and not use it as an explanation.

- combine whenever possible statistical evidence (including ecological and individual factor analysis) with more in-depth qualitative and documentary data such as interviews and company records.

 - attempt to provide a justification for the results but avoid looking for pre-set patterns.

 - do not take for granted readily available preconceived notions of cultural affinity between countries or those encompassing simplistic world views.

CHAPTER 2

This chapter outlines the aims of the thesis and the research hypotheses. The main objective of the thesis is to test the validity of the 'culturalist' argument by subjecting the culturalist hypothesis to empirical test. The thesis also explores new areas of research such as managerial work-related values and perceptions of practice as well as satisfaction with career progression. A theoretical discussion of the type of companies (Global and Polycentric) involved in this study follows. Finally, there is a section on the research design and methodology (with a full description of the managerial values and perceptions of practice) as well as a detailed description of the instruments used in this research.

In broad terms, comparative and subsequently cultural cross-national management research have both argued that different national managers have distinct managerial styles and practices because of their various national or cultural backgrounds. Country clusters found in previous cross-national managerial research have been recently attributed to similarities in national culture [Ronen & Shenkar, 1985; Hofstede, 1980; Schneider, 1989]. For example, managers from France and Italy tend to respond similarly when compared with German and Dutch managers. Country clusters based on previous research findings usually locate UK managers in the Anglo-American group, while the Italians are in the Latin European one [Ronen & Shenkar, 1985].

In general terms, the Latin European cluster is characterized by little autonomy, paternalism, strong hierarchy and little management satisfaction. On the other hand, in the Anglo-American cluster, managers are relatively independent, willing to take risks (low-uncertainty), individualistic (willing to have a go), and consider performance and results generally very important.

Usually, Latin managers look at the organization as an authority network where the power to organize and control the actors stems from their positioning in the hierarchy. They focus on the organization as a pyramid of differentiated levels of power to be acquired or dealt with.

They perceive the ability to manage power relationships effectively and to "work the system" as particularly critical to their success.

British managers, on the other hand, hold a more interpersonal and subjective view of the organizational world. According to them, the ability to create the right image and to get noticed for what they do is essential for career success. They view the organization primarily as a network of relationships between individuals who get things done by influencing each other through communicating and negotiating.

The Italian characteristics are best summarized by Hofstede [1980]

- Subordinates have strong dependence needs

- Superiors have strong dependence needs toward their superiors

- Superiors expect superiors to act autocratically

- The ideal superior to most is a benevolent autocrat or a paternalist

- Everyone expects superiors to enjoy privileges; laws and rules differ for superiors and subordinates

- Status symbols are very important and contribute strongly to the superior's authority with the subordinates

In summary, previous works have developed the view that Italian managers are autocratic and paternalistic, while the UK ones delegate more and are less hierarchical. These characteristics are usually the result of comparisons with other nations using the same variables. [Hofstede, 1980]Nonetheless, the evidence on which most of the analysis is based presents a number of limitations, which have been discussed in Chapter 1. This research will challenge these assumptions of different national managerial cultures by putting the culturalist thesis to empirical test.

Aim of the thesis

The core objective of the thesis is to test the validity of this 'culturalist' assumption, by subjecting the culturalist hypothesis to empirical test using a sample of Italian and UK managers. The main research question then is the following:

"Is it still possible to detect clear national managerial differences?"

Most of the available evidence is outdated, and has not focused on any particular country. Child [1980] has noted how most cross-national comparisons have failed to conceptualize national attributes so as to incorporate these as variables into their research design. There is now sufficient material to assess the existing evidence on each individual country more in detail. The focus of the analysis is on Italian and UK managers, since, according to the literature, they displayed a number of significant differences. Briefly, Italian managers have been described as paternalistic and autocratic,[Ferrarotti, 1959; Hofstede,1980; Boss and Mariono, 1988]. They enjoy power and are unwilling to relinquish it. Authority and hierarchy are still very important. On the other hand, UK managers hold a more interpersonal and subjective view of the organizational world, and they also favour delegation and communication. [Hofstede, 1980]

These presumed Italian and UK managerial differences are going to be tested in depth. In previous studies, there was little information on where national managers differed, whether it was at the level of work-related values, attitudes, perceptions of practice, beliefs, and so on. In this study, it will be important to define where national managers differ, if it is on values, practices, etc., and whether these differences are consistent both at the *national* and at the *organizational* level: belonging to one company or another in the same country may in fact significantly affect managerial values and practices.

The distinction between values and practices is significant. A newly recruited engineer may possess a set of values about work, the organization, the relationship between superiors and subordinates which derive from his education and academic background. These values may not be confirmed by the new organizational reality. For example, one may value flat organizations, where subordinates have a right to challenge their peers as well as their superiors. The perception of practice in the organization may be that the superior should not be challenged by the subordinates. The gap between values and perceptions of practice may indicate an organizational climate quite different from the values of the individuals involved. This research could therefore produce evidence of organizations were most managers *would like* to challenge their superiors and organizations were superiors *cannot* be challenged.

In summary, this research proposes to contribute to the debate on comparative management on three accounts. First, it will test the validity of key aspects of the culturalists' findings on UK and Italian managers, and in addition it will explore whether a number of characteristics considered relevant for Italian managers , such as autocracy, paternalism and clientelism, are still present. Secondly, it will question whether there are any consistent differences between these managers' work-related values and perceptions of practice on the above issues. Thirdly, it will try to assess how organizational affiliation affects the values and practices of managers working for different organizations in the same country.

Hypotheses

The main research hypothesis to be tested is that

national managerial differences are less relevant than previously described. These differences are also difficult to identify and conceptualize into a set of different national profiles. Therefore concepts such as "Italian management" or "English management" are descriptive concepts which cannot be confirmed by empirical research.

The relevant literature argues that Italian and UK managers differ on a number of key points. As it has been stated before, Italian managers are likely to be autocratic and paternalistic, while the UK ones would tend to delegate more and encourage consultation. [Hofstede, 1980] The Italian characteristics should conform to a general autocratic management style, that is when a manager defines his plans and gives commands without prior consultation with subordinates. It is the opposite to the participative approach which provides for consultation with subordinates. The UK managers instead are expected to fit closer to the democratic management style, which allows subordinates leeway of thought and action, encourages personal initiative, and it also implements the practice of delegation. [Laurent, 1985]

The research hypothesis argues that the above concept of "national managerial styles" cannot be supported with empirical data. It will test this hypothesis by, among other things, exploring the relationship between managerial *values* and *perceptions of practice*. The culturalist thesis argues that Italian managers are autocratic and paternalistic. What is not clear is whether these characteristics are imbedded in the managers' mental software (*values*) or if they refer to the environment in which these managers operate (*perceptions of practice*), or both. The culturalist researchers have not made this distinction. They have labelled this research with different captions, but have never looked at the distinction between espoused theories and theories in use. It is fair to assume that, in their view, the term management encompasses everything. Since the distinction has not been previously made, on the strength of current evidence, there should be no significant differences between values and perceptions.

The research hypothesis, instead, contends that the values of Italian and UK managers are quite similar. Their perceptions of practice, however, may be different, and these

differences could be attributed to the company they work for. Italian managers may not rate autocracy or paternalism any higher than their UK colleagues. On the other hand, they may perceive that, in their organization, colleagues and superiors adopt an autocratic and paternalistic attitude.

This would cast some doubt on the validity of the 'culturalist' findings. If the distinction between values and perceptions of practice proves to be correct, the lack of a similar categorization in previous culturalist studies may render their results less relevant. Also, if managerial values and, in particular, perceptions of practice are linked to company affiliation, the identification of "national managerial styles" would also be under discussion. It would be very difficult to identify and defend the notion of a consistent "Italian managerial style", as opposed to a UK one.

The study does not focus on macro-level issues such as structure or technology but more on the attitudes of people in the organization. If the research hypothesis is confirmed, this study may add up-to-date, micro-level evidence to support the macro-level notion that converging industrial and technological standards across Europe may have contributed to a reduction of national managerial differences.

The definition and identification of values is not a simple matter. Gould [1964] states that values are an attribute of individuals as well as of collectivities, and that culture presupposes a collectivity. He defines a value as "a broad tendency to prefer certain states of affairs over others." This is a simplified version of the more precise anthropological definition by Kluckohn [1951] : "a value is a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable which influences the selection from available modes, means and ends of actions." It is also in line with the definition of Rokeach [1972]: "to say that a person 'has a value' is to say that he has an enduring belief that a specific mode of conduct or end-state of existence is personally and socially preferable to alternative

modes of conduct or end-states of existence."

Looking at culture from a broader perspective, Schein [1981] has described its three levels: basic assumptions and premises; values and ideology; and artifacts and creations. The first level includes such things as the relationship of man to nature, the nature of man's relationship to man, and man's concept of space and his place in it. These are usually taken for granted and are "preconscious." The middle level contains values and ideology, indicating ideals and goals as well as paths for " getting there." The third level includes such things as language, technology and social organization. Each successive level is, to an extent, a manifestation of the one before it, and all the levels thus are interrelated.

Hofstede [1991] summarizes the debate on terminology with a set of detailed observations. He argues that cultural differences manifest themselves in several ways. From the many terms used to describe the manifestations of culture he identifies the following four to cover the total concept: symbols, heroes, rituals and values.

Symbols are words, gestures, pictures or objects that carry a particular meaning which is only recognized by those who share the culture. The words in a language or jargon belong to this category, as do dress, hairstyles and status symbols.

Heroes are persons, alive or dead, real or imaginary, who possess characteristics which are highly prized in a culture, and who thus serve as models for behaviour.

Rituals are collective activities, technically superfluous in reaching desired ends, but which, within a culture, are considered as socially essential; they are therefore carried out for their own sake. Ways of greeting and paying respect to others, social and religious ceremonies are examples.

Symbols, heroes and rituals are subsumed by Hofstede under the term *practices*. As such, they are visible to an outside observer; their cultural meaning, however, is invisible and lies precisely and only in the way these practices are interpreted by the insider.[Hofstede, 1980]

51

The core of culture is instead founded on *values*. Values are broad tendencies to prefer certain states of affairs over others. Values are feelings with an arrow; they have a plus and a minus side.

Hofstede argues that for systematic research on values, inferring them from people's actions is cumbersome and ambiguous. Various paper -and-pencil questionnaires have been developed which ask for people's preferences among alternatives. The answers should not be taken literally; in practice, people will not always act as they have scored on the questionnaire. Still, the questionnaires provide useful information, because they show differences in answers between groups or categories of respondents.

The present study is focused on exploring these managerial values (the individual's normative orientation) and perceptions of practice, (the individual's conceptions of what the work environment is like). In other words, it will ask first how managers would like to see an organization operate, and then how they actually see their own company operating. The distinction between expectations and reality has not been used extensively in the past,(Hofstede et al. [1991] being one of the notable exceptions) and it is not clear altogether whether it was even considered as a choice or simply overlooked.

Finally, the data collected in different companies in the same country is likely to present some differences. The level of values should be consistent, while the perceptions of practice could be related to the markedly different characteristics of the organization studied. In this research in particular, the companies analyzed are *Unilever (Unilever UK and Unilever Italy)* and Electrolux (*Electrolux UK and Zanussi Italy*). The first pair was identified [Evans, 1985] as *Global*, the second as *Polycentric*.

1. The Global enterprise (Unilever) typically manages its global workforce in a relatively centralized, coordinated way. Corporate policy on human resource management tends to be

quite specific and influential - there are numerous guidelines, procedures, principles, and guiding corporate values. Examples of such procedures are worldwide policies regarding recruitment and promotion criteria; "single status" policies; a uniform stance toward unions; standardized procedures for performance evaluation; global compensation policies; uniform monitoring of human resource management through opinion surveys; a code of corporate values for the indoctrination of newly hired recruits. Corporate and divisional personnel officers typically have powerful roles in global enterprises. Such firms are also seen as having "strong" organizational cultures. Individuals are rigorously and selectively recruited in national labour markets for careers, not jobs. The early career years are marked by indoctrination experiences to test the loyalty of the individual. The young manager is guided by a transparent code of corporate values and conduct. Such firms may have relatively high turnover rates among their graduate recruits during the first two years of socialization; some individuals may discover that their own values and needs do not match those of the firm, and they quit - a desirable result for both the firm and the individual.

2. The Polycentric enterprise (Electrolux/Zanussi) decentralizes the management of human resources to its subsidiaries. Corporate co-ordination, to the extent that it exists, tends to be loose and informal. There are few guidelines, and policies are typically quite vague, and there is little specification of desired practice - all of these tasks are left to the subsidiary or business unit general manager and his or her personnel staff. The role of the headquarters staff is limited to tasks such as executive recruitment and advice on key appointments, and the organization of occasional meetings of subsidiary executives to exchange lessons of experience. Selection procedure are less rigorous, socialization is neglected, less attention is paid to retention management. The external labour market might steal the capable individuals at the time in their careers when the firm's investment in human capital is beginning to pay off. The company is saddled with the investment costs of aiming to be global but without the benefits. It may then be obliged to recruit local talent into senior

positions form the outside labour market, individuals who, however technically competent, do not necessarily share the values and attitudes of the global corporation. Consistency is further compromised since disruptive clashes can break out with these newcomers.

The global organization, with its centralized or coordinated policies and practices, selects and retains those people in any given country who most closely fit with its own cultural values. It adapts to different local environments by controlling selection; indeed, recruitment (complemented by socialization and management development) becomes a core function of such a firm. The organization recognizes that values, attitude and conceptions of management vary from country to country, and this represents one way of adapting to socio-cultural differences. Yet when a globally-oriented company like Unilever is recruiting an Italian manager for a career at its plant near Milan, they are not simply seeking any technically qualified Italian manager; they are looking for an Italian whose personality matches Unilever's cultural values. Global enterprises adapt through selection. In turn, those persons who are promoted into positions of power are individuals who most closely conform to these core values (i.e. further internal selection).

Polycentric enterprises, on the other hand, adapt in a more direct way. As pointed out, adaptation to local socio-cultural circumstances is the task of the local subsidiary, at best loosely circumscribed by corporate guidelines. Thus, the Italian subsidiary is likely to have markedly stereotypical Italian properties, the United States subsidiary to have different American characteristics, and so on. Socio-cultural adaptation is the task of local management, rather than the responsibility of the corporation. Local management of Zanussi, [owned by Electrolux] will be likely to recruit managers who fit with their espoused views of management, which have been identified as different from those of Electrolux. As an immediate reaction to market conditions, this policy might be successful. Yet when the company is expected to cooperate with its European partners and create international synergies, local management may well clash with the espoused management

views of Electrolux's corporate office.

Evans and Lorange, [1985] argue that internal consistency of policy and practice is easier to ensure in the polycentric enterprise. It implies slim corporate staff with the limited role of assuring executive succession and the cross-fertilization of experience among national subsidiaries. Divisional staff may have a co-ordination role, but real power lies in the hands of subsidiary line and staff executives. Their decisions have a direct impact on the workforce. Conversely, internal consistency is more difficult to attain in the global firm. The attention paid to selection has to be complemented by retention policies, by socialization and management development practices to build corporate as well as national loyalty. Many firms have in fact developed human resource management strategies in the sense that human resource management is global and centralized for senior executives and those with such potential, though for all other employees the human resource management approach is polycentric, decentralized, and country-based. In such firms, the decision to label someone as having "potential" constitutes the critical selection decision.

Evans and Lorange's arguments are based primarily on interviews and talks with personnel department staff and senior managers. They conclude by saying that "It is important that human resource policies should be guided by two logics: the business logic of products and markets and the socio-cultural logic of geographic spheres of operations. These two logics are by no means independent. Whereas the dictates of product-market strategy may sometimes be consistent with the chosen socio-cultural adaptive strategy, in many instances there may be serious friction between the two logics."

The question of how these "socio-cultural logics of geographic spheres of operations" come about is beyond the scope of their investigation. But where do they originate, how are they

55

transmitted, and, finally, do they really exist? How can one talk about the interdependence of market and socio-cultural factors when the latter have not yet been codified? In other words, they argue that local management folklore is a variable in the local operations of an organization. Yet their writing is in itself management folklore, since it relies on word of mouth, corporate myths, company stories mixed with real life problems and strategies. This research will try to identify the significant managerial differences between managers working for Unilever and Electrolux/Zanussi.

It can also be argued that managers working for a multinational company do not reflect the values and perceptions of practice of a country's managerial class. The same questionnaire was thus distributed to a sample of managers attending development courses at a business school in Italy and in the UK to ensure a more balanced anchoring group to the multinational companies' scores. Mostly, these managers work for a wide range of middle-sized companies, and would thus be expected to better epitomize national managerial traits (if such things do exist). The business school managers in each country, chosen as an anchoring group, should confirm the expected national similarities and differences.

Research Design

Since there is a multitude of general results on cross-national management, it is important for this research to zero in on a small number of countries, looking in detail at a few organizations and topics. The research plan thus includes only the UK and Italy for two main reasons: there is a good familiarity with their management on the part of this researcher, and managers from these two countries are generally identified in the previous literature as having considerably different characteristics.

The organizations chosen for the study are two large-size Northern European consumer

56

goods Multinational companies (MNCs) with a modern managerial structure and productive units both in the UK and Italy. The structure of these two multinationals is quite different. The Global one, Unilever, is heavily centralized and has a uniform management structure in all of its subsidiaries. The Polycentric one, Electrolux, is considerably more decentralized and imposes little managerial control on its operations abroad. The sample is thus composed of 4 different units, two in the UK and two in Italy. Both companies have been established in Italy and the UK for a long time, though Electrolux managed this through the acquisition of Zanussi in 1985. These companies have a long experience in developing their business and management strategies. They are both perceived, in fact, as 'excellent' companies.

The research has also been extended to two business schools, Bocconi in Italy and Ashridge in the UK. They will act primarily as a control group. One of the immediate criticisms to the research plan might in fact have been that managers from large private, foreign-owned MNCs do not represent the average image of management in the country. The business schools in this case will provide an anchoring group. These samples of managers in each of the two schools are primarily from medium-sized companies attending short development programmes. Their views will first be matched to those of the managers from the larger organizations to see whether the organizational responses fit with this different, more heterogeneous 'national' sample.

The analysis is carried out using a questionnaire, which has been distributed in the British and Italian operations of both Multinationals (4 subsidiaries; 2 in the Uk and 2 in Italy), and in the two business schools. The questionnaire borrows some ideas and statements from previous studies. More precisely, the first 13 questions are taken directly from Laurent's

questionnaires [1981,1984]. Other sources were Hofstede [1980], Schein [1985], Haire et

al [1966], with a large section of questions developed specifically for the project. The

sample is made up of 365 individuals; the results are substantiated by findings from a set of

unstructured interviews, (51) carried out with a sample of the respondents in each of the

four companies. The objective of the interviews is to discuss the numerical data while

collecting qualitative information which could add a qualitative dimension to the analytical

results. Copies of the Italian and UK versions of the questionnaire can be found in the

Appendix section.

The questionnaire copies distributed amounted to 540, of which 365 were returned

completed. The overall rate of return was satisfactory (67%) and above expectations in

particular in Italy, where the two organizations returned over 75 percent of the

questionnaires distributed. The Appendix contains also some personal data on the

respondents.

Company	Q. distributed	Usable Replies	Response Rate
1. Unilever UK	70	47	67%
2. Electrolux UK	70	56	80%
3.Zanussi Ita	100	75	75%
4.Unilever Ita	100	79	79%
5. Bocconi B.S. Ita	100	67	67%
6 Ashridge B.S. UK	100	41	41%
UK	240	144	60%
ITALY	300	221	73%
Total	540	365	67%

In order to elicit managers' implicit work-related values and perceptions of practice, this questionnaire was developed proposing 32 different statements concerning the management of the organization and the hierarchical and interpersonal relationships. A five point Likert-type opinion scale was attached to each statement in order to record the respondent's degree of agreement or disagreement with those statements. The first section of the questionnaire contained 14 statements aimed at testing the values of managers, that is what they think would be best in general terms. The section following included 14 related statements aimed at testing managers' perceptions on the same issues, that is, what they actually think happens in the company. The third section contained four statements which identified four different kinds of managers. The fourth section focused on promotion and career satisfaction.

The distinction between values and perceptions of practice has not been made in previous cross-national managerial studies, and there were few references that could help assess the validity of such a dichotomy. Nevertheless, it was felt that the distinction was a necessary step forward in the study of cross-national management.

The aspects of the research being analyzed here attempt to identify managers' perceptions and values on three indices or dimensions emerged from previous research. One of the primary objectives of the research was to test empirically the existence of differences across national groups, for the following dimensions of organizational systems:

• Autocracy
• Paternalism
• Clientelism

What follows is a brief summary of their characteristics related to specific items in the questionnaire.

Autocracy

Autocracy denotes a structure of power characterized by: (a) clear ascendancy of one person at the top of its administrative hierarchy; (b) lack of any laws or customs in virtue of which the ruler might be called upon to account for his actions; (c) absence of any customary or legal limitations on the exercise of authority by the ruler. In its strictest, political science definition, autocracy is almost always linked with totalitarianism. [Gould, 1964]

By autocracy is meant a type of government where one man (called the autocrat) wields overwhelming power. It might be advisable to adhere basically to this meaning, while making it more precise. As far as the distinction between benevolent and malevolent autocracy is concerned, if we link autocracy with paternalism we are clearly looking at benevolent autocracy.

Autocracy is a form government in which power is in the hands of a single individual. An autocratic management system is in turn a system in which the ruler (the president,the CEO, or the superior) wields almost total control over the actions and careers of his subjects (managers). Most decisions require his approval; he views his role as vital to the survival of the organization. In turn, he is likely to respect higher authorities. He does not share but rather impose his views, and does not tolerate dissent. His position must be reinforced by a series of status symbols which managers can recognize in his position. He is also likely to expect reverence from his managers and be referred to with his official title.

<u>Paternalism</u>

For paternalism it is meant the managing of individuals or groups in the manner of a father with respect to his children. It is a type of behaviour by a superior toward an inferior resembling that of a male parent to his child - in most cases, a son.

It appears that paternalistic systems have two main currents. One, stemming from purely instrumental institutions and goals with hierarchical structures, moves between exploitative and benevolent modes, with the former possibly somewhat more prominent. The other stems from the genuine needs of inferiors and superiors in hierarchical social systems for mutual support.

The question of trends toward disappearance or persistence of paternalistic relations is difficult to answer. The survival or creation of a paternalistic system depends on needs and on the existing social organization patterns and traditions. The memories of suitable forms of paternalism, and the requisite familial models, may survive indefinitely, even in societies with highly rationalized economic and political institutions, and thus be available for use if the need arises. [John W. Bennett, 1979]

It is said that there is an inherent incompatibility of paternalism with a national social system which stresses individualism and free contract. Again the evidence suggests that paternalistic systems will wither once these values become part of the national culture. Paternalism endures if its participants believe in it and if they are getting something out of it at a bearable price.

In Italy it is often assumed that individualism and free contract are far from reality and a paternalistic managerial attitude is likely to persist for some time. Ferrarotti [1959] argued that superiors view their role as benevolent fathers, taking subordinates under their own care and ensuring constant supervision. Subordinates are likely to show respect and gratitude towards their superiors. Most likely they will start with menial jobs before moving to more

gratifying managerial experience, and promotions are at times passed down almost as acts of benevolence.[Derossi, 1982]

Ferrarotti [1959], on the basis of his study, has abstracted three main types of patrimonial management to which correspond three types of professional managers. The objective criterion for differentiation is the position afforded by the power of the family in the managerial structure.

The first type is Feudal or authoritarian paternalism; it occurs where the business enterprise is completely family owned, controlled, and operated. The family is the only source of power. The second type is Manipulative paternalism; the family still owns and control the enterprise, but it is no longer the sole source of personnel. The most important problem is ensuring loyalty to the family from persons who hold managerial positions but who do not belong to the family.

The third type is democratic or participative paternalism. The enterprise in this case is still predominantly family owned but it is no longer family operated. The firm is managed by professional managers.

Ferrarotti argued that, at his time, most Italian managers fit the second category. He furthermore argued that in Italian industry the manager who feels hurt if anything has been done without his direct knowledge and participation was a familiar character. An immediate consequence of this highly centralised authority was the lack of precise job definitions and classifications. It was rare to find in Italian firms a clear functional and organizational chart. When such a chart existed, it was kept secret in order "to avoid eventual frictions and personal rivalries."

Clientelism

Sociologist and Political Scientists have long known that people act together on the basis of friendship, deference, and informal bonds. When they occur at the elite level, they are often called cliques, at the local level they have been variously called "vote banks" patron client networks, or local factions.

"The clientelistic relationship is one of personal dependence, unrelated to kinship, which links two persons who control unequal resources, the patron and the client, for a reciprocal exchange of favours", writes Jean Francois Medard [1976]. This definition stresses three fundamental features of clientelism, which indeed implies dependence, reciprocity, and personalization.

Clientelism forges a relation between two persons of unequal status, prestige, and influence, thus constituting an original factor of vertical stratification. The clientele relationship is engendered by an asymmetry in the situations of patron and client.

The reciprocity of exchanges between patron and client is observed everywhere, each one expecting to gain an advantage from the other. This means that the established relationship is of a contractual nature, even if the "contract" remains totally tacit.

Clientelism usually acts in a conservative way, since it pushes the exploited person to reach an agreement with the exploiter and enhances the advantage of those who are already in a position of strength in the system.

To this we can also add Nepotism, the favouring of family members and friends to obtain positions and office.

In the selection of personnel and career progression, it may be expected that those most capable of dealing with the current problems of the firm will be appointed; however this is by no means certain. Those in power will tend to select people who fit in with their views

or have strong 'credentials'; people who may or may not be capable. Personal survival and support may well be the hidden criteria for selection.

In considering management selection, succession and promotion, it should be remembered that organizations are places where people compete for advancement and are rivals for organisational rewards, yet at the same time have to cooperate as well as cope with the outside environment.

CHAPTER 3

This chapter describes in detail the organizations involved in this study by analyzing their history and present status. The organizations are two European consumer goods multinationals with a long history and strong current positions in their respective markets. Particular attention will be given to their management policies with respect to recruiting and training and development activities. The last section will analyze the issue of Italian management and why it has been considered relevant for the research.

The choice of organizations (Unilever and Electrolux) for this research is not casual. Until the late 1960s, European International and Multinational companies tended to be organized as international holding companies. In this format, corporate functions were kept at company headquarters, with heads of the subsidiary reporting directly to the president or board. This is what has been described as the mother-daughter structure. Subsidiary managers established coordination and control, thanks to close personal interrelationships with colleagues (nationality, call status, company experience). These firms also enjoyed a relatively stable environment, receptive markets and often had close connections with local governments. By 1971 this relationship started to decline. The elimination of tariff barriers from the establishment of the common market has increased external competition. Japanese companies have entered consumer goods markets with increasing confidence. In this instance, they are looming on the European food and detergent horizon, which is Unilever's heartland. Kibun has set up a Scottish plant making sea-food dishes, the powerful KAO has bought a West German hair-treatment company, Mitsubishi has bought Prince's and Trex brands from Nestlè, and Shiseido has bought a French cosmetics company. In the white goods sector, Electrolux's core business, the Iberna company is now distributing Sanyo refrigerators across Italy, and it employs engineers from the Korean Goldstar to plan for a new European joint venture to produce compressors for refrigeration. South Korean air conditioners are also threatening established European markets. Under increasing pressure to streamline their operations, European companies have re-focused their core competence areas, buying and selling non-related businesses. This phenomenon of cross-border merger

& acquisitions have brought managers from different nationalities and organizations to work together. In order to maximize economies of scale, production and research and development have also been streamlined across all national operations; at the same time, many managers consider cultural differences the number one barrier to successful alliances and partnerships [Moss Kanter; 1991] Recruitment, once limited to choosing among the best, has become more competitive, and turnover is also higher. Management education and development is now a key feature of any successful company, yet the costs, in particular of executive education, are very high.

All of these competitive factors require international companies to reorganize themselves; while the strategies they adopt may vary with their size, sector and background, they will all have to make sure that their management across national companies will be up to the challenges. In the non-durable consumer-goods sector, international firms are predominant. The likes of Procter & Gamble, Unilever, Nestlè, General Foods and BSN dominate a large share of their respective markets. In the white goods sector, Electrolux/Zanussi, Phillips/Whirlpool, General Electrics and increasingly the Japanese and South Koreans are the predominant force. The companies selected for this study, Unilever and Electrolux, are leaders in their respective areas, and always strive for the 'perfect' organization. In the process, they experiment with different ideas and new formats, and are constantly undergoing change. They have long been established in their respective markets, are unanimously considered market leaders and portray the image of 'good employers'. This, combined with other factors, has allowed them to maintain a leadership position.

Large international companies are usually in the forefront of the management of change and innovation. New management trends are usually identified and categorized first in these international organizations; once they have been masterminded, the lessons can be passed on to other organizations. National companies, especially in Italy, often look upon these

international corporations as a paradigm and inspiration, from which to draw new ideas, structures, as well as skilled managers.

Both companies have a shareholding structure, independent of national governments. It is important to verify early in the research design that political pressure is kept to a reasonable level, with little interference from civil servants or elected officials in such things as business plans, refinancing schemes, acquisitions polices, and so on. Also, selection of both top management and white collar in general should be left to the individual companies themselves. In Italy, for example, large-size state-owned companies are often used by political parties to appoint close associates as top managers, while the companies as a whole suffer from a system of clientelism, whereby people are hired and promoted on the strength of their personal and family connections. This is not the case in either Unilever or Electrolux/Zanussi, companies acknowledged to be independent from government interference and with highly meritocratic career structures.

The research plan thus aims at taking into consideration also the organizational structure of these companies (a variable which has not been used in the past). Rodgers [1991] analyzed breakdowns in negotiations between Anglo-Saxon and French managers and found that participants often lacked concrete knowledge about the organizational context from which their adversaries came. For example, British interviewees felt the French took too much time in negotiations and attributed this to their cultural emphasis on personal relationships. In fact, in many French organisations the negotiator is often not the decision maker; he/she chats to fill the time until he/she can get to the boss. Moss Kanter [1991] argues that some conflicts that supposedly reflect cultural differences are really power struggles. She reports how, in one European consortium, the Italian representative succeeded in having a major project named after an Italian hero. One British observer thought this was because Italians

67

are especially conscious of symbols; however, others suggested it was an example of a smaller partner seizing any opportunity to assert its will over larger, more important partners. Understanding Italian culture would not have helped in this situation as much as a grasp in power dynamics. The same perspective can be applied to organizations; before looking at culture, there are more identifiable and useful variables to look at, such as organizational history, size and strategy. The strategic and organizational predispositions of these firms are in fact shaped by a number of factors: the circumstances of their birth, the leadership style of their top management, their past administrative practices, the myths and folklore that have endured in the organization, etc. Heenan and Perlmutter [1979] describe four distinct predispositions in an international firm:

• *Ethnocentrism* is a predisposition where all strategic decisions are guided by the values and interests of the parent. Such a firm is predominantly concerned with its viability worldwide and legitimacy only in its home country.

•*Polycentrism* is a predisposition where strategic decisions are tailored to suit the cultures of the various countries in which the MNC competes. A polycentric company is primarily concerned with legitimacy in every country that it operates in, even if that means some loss of profits.

• *Regiocentrism* is a predisposition that tries to blend the interests of the parent with that of the subsidiaries at least on a limited regional basis. A regiocentric company tries to balance viability and legitimacy at the regional level.

• *Geocentrism* is a predisposition that seeks to integrate diverse subsidiaries through a global systems approach to decision making. A geocentric firm tries to balance viability and

legitimacy through a global networking of its businesses. On occasion, these networks may even include the firm's stakeholders and competitors.

Heenan and Perlmutter argued that the above predispositions are seldom found in their pure form. An ethnocentric or polycentric profile is very common [Perlmutter, 1969], while a regiocentric or geocentric profile is relatively rare.

Recently Evan and Lawrence's research [1988], has refined the concepts, drawing a distinction between Global (ethnocentric) and Polycentric companies. The characteristics of the two different groups have been described in the previous chapter and can now be applied to the companies used in this research:

1. **Unilever,** is the   Global enterprise: typically, it manages its global workforce in a relatively centralized, coordinated way.

2. **Electrolux/Zanussi,** is the Polycentric enterprise: it decentralizes the management of human resources to its subsidiaries. Corporate coordination, to the extent that it exists, tends to be loose and informal.

UNILEVER

Unilever is one of the largest consumer businesses in the world. It was created in 1930 by a union between Lever Brothers and Margarine Union in the Netherlands. Although it has head offices in London and Rotterdam with parallel UK and Dutch boards (Unilever PLC and Unilever NV), it is run as one business (known internally as 'the Concern'). The role of the board is to approve plans and budgets, control capital expenditure, and appoint and develop executives. At an operating level, local managers have great latitude to develop and implement strategies that reflect the opportunities and constraints of their particular environment.

The company employs more than 300,00 people across the world (of whom 20,000 are managers) with operating companies in more than 75 countries. Sixty per cent of its turnover derives from Europe and 21 per cent comes from North America. Following large-scale restructuring and a string of major acquisitions in the 1980s to create a more cohesive and efficient entity, 75 per cent of Unilever's business is now in the three main consumer goods areas of food, detergents and personal products. Other core areas are specialties, chemicals and Agribusiness. Its products are manufactured and sold throughout the world by its operating companies such as Lever Brothers, Van den Berghs and Jurgens, Elizabeth Arden and Lipton. Other businesses include products for trade and industrial customers including detergents, bakery products and catering ingredients and medical products, including diagnostics.

Operations are directed through a three-dimensional matrix structure based on product-groups, territories and functions such as finance and personnel. The company tries to keep its lines of communication as short as possible. The previous chairman boasted that between him and the lowest level of operational management such as brand manager, there are

70

typically only four layers of management. The company has been described as a 'tight-knit but free-flow management structure in which, despite the size good and bad news travels swiftly and undistorted to every corner of the Unilever universe'. [Vineall, 1987]

The company deliberately keeps central control of three areas. It centralizes research, keeps control of the treasury function to maximise its ability to deal financially on an international scale and also centralized management development, believing that this is the only way to develop the kind of managers needed for an international concern. The personnel people stress that meritocracy is pervasive, and goes well beyond nationality. More than half the top 450 jobs are held by people who are neither British nor Dutch.

A significant proportion of the people running the business in a country should be nationals of that country, the company believes. And if nationals of a country are to run a unit in an international business, they themselves should have worked outside their own country. It is also very important for them to have worked in head office. Ideally managers would have experience of both different countries and different industries. At any one time there are around 1,000 managers working outside their home country.

An important feature of the Unilever culture is its informality. Much depends on informal relationships across the organization. Those relationships are formed from very early in people's careers.

Unilever has long believed in recruiting high-quality talent and providing career development that is useful for both the company and the recruit. While Unilever has traditionally filled most of its senior posts from its own resources, it expects the recruitment market for graduates and other categories of people to be very competitive for the rest of the decade. It therefore recognized the need to introduce more mid-career recruits to the business and that this needs careful planning; mid-career recruits are therefore provided with a mentor.

Unilever now regards it as crucial that management development at any stage should both

train and test individuals. The process of assessing potential should take place simultaneously with the development process. Behind this is a conviction that if the company wants to keep the best people it has to go on challenging them, even if this makes them more attractive to predator companies in search of talent.

The company divides its management jobs into four levels, for each of which it maintains a central list of people in each business and each country who could have the potential to move to that level within five years. A lot of senior management's time is invested in reviewing the lists to ensure both their continuing validity and that people are receiving the appropriate experience. Unilever also gives a great deal of attention to the company's top appointments. Any appointment in the top 450 must be agreed with the Special Committee. Similarly, any appointment in the top 1,800 people has to be agreed by a main board director.

The company relies a lot on international networks which can help sort out various problems, for example try to help the spouse find a job in the Unilever operation in the new country in which a manager is posted.

Unilever has also been very concerned to develop the potential of its women managers and has been introducing such measures as career brakes, weekend schools for absentees on maternity leave, and arrangements for part-time working and job-sharing.

The company believes that a programme of central courses focused on the needs of managers at particular career stages can help to give cohesion to a group and can provide focal points for the evolution of the corporate culture, as well as for the development of individuals.

Initial training takes place within people's national company, where programmes will differ according to local educational systems, but about 3-4 years after joining, by the time that people have any type of management job, the training becomes almost totally international. The international programmes correspond to major transition points in people's careers. The first programme is the International Management seminar for people in their mid-to late 20s

when they first become responsible for significant numbers of people or resources or, where specialists are concerned, when they are starting to make a significant contribution. The second programme is the General Managers' Course, for people expecting to become operating company directors. At the third stage, senior managers attend an external general management programme at a major business school. The fourth level is the Senior Strategy Programme for senior managers.

As far as the relationship between Unilever's culture and the national cultures in which it operates is concerned, Tony Vineall, deputy head of personnel, says there is a need for a "positive" corporate culture but that a wise company will not regard its corporate culture as something which challenges or replaces, or even transcends, the local manager's identity. "Ideally", he says, "managers should feel fully nationals of their own country, yet equally fully member of the corporate club." As the culture develops and matures it will do so by drawing on the cultures of all the countries where it operates."

In a further move to reorganize its operations, the organization is today trying to convince national operating companies to accept reduced autonomy over their traditional markets in exchange for a role in developing and executing a unified pan-European strategy. For example, the new Lever centre (Lever Europe) is based in Brussels, with a staff of 60 from 11 nations, while key tasks have been distributed around the operating companies. Installing a new European mentality into a business long geared to national priorities will inevitably encounter some difficulties but the 'intellectual logic' of the company has indicated it the way forward. For many of the company's old guard the change has been quite traumatic, but waves of younger executives argued that change was inescapable. The shift has been prompted by Unilever's realisation that its traditional way of doing things was handicapping it in an industry which increasingly demands large-scale economies, rapid innovation and

flexible response to market trends.

UNILEVER ITALY (UNILIT)

Unilever Italy, Unilit, is organized on the same lines of headquarters. The operating centre in Milan oversees financial strategies, personnel polices and mobility, as well as management development, while individual companies, such as Fabergè and Van der Bergh, have usually great latitude for strategy and budgetary decisions. Unilever was the first company to introduce in Italy in the post-war period the concept of marketing. It usually attracts the best graduates and together with Procter &Gamble, provides a steady flow of managers to the competition. Like most other Italian companies, graduates come from business studies (60 percent) and engineering (25 percent). Recently though, strong performances of philosophy graduates in marketing and sales have encouraged a re-focus of the recruiting strategies.

 Unilit trains inside; recruiting from other companies is still extremely rare. Like other life-long employment companies, if a manager leaves, it is almost impossible to return. In general, the company selects people who conform to a pattern which will allow the company the maximum flexibility for picking and choosing from as a wide reserve as possible for its management requirements. Only one out of five candidates becomes a senior manager, and he/she is not necessarily the most impressive one. Careers are not very quick, but there is an attempt at increasing internal mobility. In a group in which everything is planned, programmed and established, superlative, aggressive candidates are usually sacrified for other ones, still competent but more reliable, stable, and who can offer clear continuity.

The company through its organizational development people delivers very advanced training and development, yet compared with headquarters, they do not strongly believe in the formal

testing and assessment of managers.

Personal attributes such as calm and stability have at times been very useful characteristics. Managers, particularly in Italy, have been under public scrutiny for many years. The company was considered for long in the African and Latin American countries and from the European left as one of the most aggressive tools of international capitalism. Instead of bringing progress, the critique went, the commercial techniques of Unilever have imposed superfluous consumerism, while its plantations of vegetable oils in Africa and Asia have privileged agricultural monocultures which impoverish the producing countries and make them even more dependent on the West. In the 1970s, management almost was a second-class career. Sir Michael Angus, Unilever's previous chairman, argued that because of quasi-socialist pressures, "none came on strong because it looked greedy and people thought you had your hand in the till."

Today criticism is less vocal, yet Unilit is still keen on keeping a low profile. Similarly to headquarters, it does never advertise as a group (unlike its more aggressive competitor, Procter & Gamble), and its Milan headquarters, though impressive, look completely anonymous. The lack or flags or any sort of corporate logo is dictated by the fear of terrorist attacks on top managers, a key feature of the terrorist strategies in the 1970s. Overall, the company has a very low public profile, but is well known and recognized in financial and business circles. Business graduates in particular rank it constantly as one of the best companies to work for.

ELECTROLUX

The Swedish company Electrolux is the world's largest manufacturer of appliances (white goods). The company has pursued a remarkable policy of acquisition over the last few years, including Zanussi in Italy, White Consolidated in the USA and Tricity and Bendix in the UK. The household appliances operation accounts for over 50 per cent of its turnover and largely shapes the evolution of the organization, but the company has also interests in products ranging from chain saws to sewing machines. Electrolux employs nearly 150,000 people worldwide, of whom only 20 per cent are in Sweden, and comprises some 500 operating companies in 46 countries. Nearly 83 per cent of its sales are made abroad.

Some say that Electrolux is not a multinational, but an international company run by Swedes, yet in its product development and several other activities Electrolux is starting to develop the flexible combination of centralization and decentralization which business academics identify as the hallmark of a 'transnational.'

Electrolux is now switching its focus from growth by acquisition to internally-generated growth. Some argue that it will take a few years for the company to 'digest' its large-size acquisitions. In the meantime, it is an organization in transition, involving changes in both strategy and structure. It has globalized several of its product lines, including white goods, believing in an ever increasing convergence of consumer taste. Electrolux has formed in 1989 a pioneering joint venture with Sharp to sell its consumer electronics in Japan, where consumers regard European brand names as status symbols. It will use the Japanese company's distribution system as a way into the market. Giving the structure of Japanese retailing, where major manufacturers control their own retail networks, such an arrangement represents something of a breakthrough for a Western manufacturer.

The company has long pursued a policy of decentralization; so much so that it talked about itself as a collection of 'independent villages'. Electrolux wants to integrate these into

interdependent but flexible 'networks' with product development, manufacturing and supply all spanning international borders. The white goods business is pursuing a 'multi-centre' approach where it is pushing 'centre' functions out to the countries. The UK for example is not only a national unit but is also responsible for microwave ovens worldwide, while Italy is globally responsible for washing machines. The company has also experimented with multi-disciplinary task forces for designing and developing products with members drawn from different units. The design of a new product may come from Italy, be produced in Finland and marketed by the UK.

These 'interactive global networks with multiple channels of communication' are often difficult to cope with, but the company tries at all costs to avoid creating hierarchies and bureaucracy in general. The centre is primarily responsible with financial control, without emphasizing structure.

This informal and non-hierarchical style of organization has been under increasing pressure in the last few years. Some people are resistant to change, but the company believes that after turbulence in the beginning, it will be quite easy to produce concrete results. Electrolux has never had a strong sense of corporate identity, with managers around the world feeling that they were all working for some common goal. Developing the cross-border mind-set in all the company's managers and specialists is however, a slow process and will not happen overnight. In the words of a top manager, "it is a long, maturing process".

In order to maintain a slim organization and good cross-fertilization of ideas, travelling is fundamental. The company is traditionally suspicious of paper and structure. Managers know they can get hold of top people, if they are unsure about something or need a decision. The trips done by the firm's senior and top managers are a vital part of the glue that holds Electrolux together. The lifestyle of most people at or near the top of Electrolux's product lines (divisions) as well as to top executives and senior staff from head office is decidedly nomadic.

Most of the travel is done on commercial airlines, but to save time the chief executive and his deputy make frequent use of one of the corporate jets, an aircraft which came as part of the big Italian acquisition of 1984, and is still known as 'the Zanussi plane' as if it did not quite suit Electrolux's sparse corporate style.

In line with its anti-bureaucratic philosophy, Electrolux does not have well-established, centrally-controlled systems for career progression. The corporation believes that the local companies are quite capable of handling their human resources issues without too much interference from a distance. Having operated with in the past with the minimum of formal procedures, other than a very precise financial reporting system, today the increase in formality in inevitable within a company where threefold growth since 1981 has made it difficult for top management to rely as completely as they did in the past on informal personal contact with the divisional managers and those below them. Some increase in staff influence is probably necessary because of the group's recent rapid growth in size and complexity. The company still tries to preserve the fundamental characteristics of Electrolux's culture, which has made it unusually fast on its feet over the past 20 years. Everything is done by constant personal contact, either face to face or on the phone.

Electrolux's management policy is that " if you want something you go out and grab it. Don't expect to be given it. You can do something." The company is scarce on resources, and managers have to find out themselves what they should be doing. They stress that if managers want to participate, they must make a proposal. If they want to perform well in the company, they must be very active and take initiatives. In the past, Electrolux has relied on finding new management talent through acquisition. Training was regarded as a perk for good performance, rather than as a necessity. The organisational culture had a general lack of faith in traditional courses as valuable learning experiences, particularly when the training was not directly tailored to meeting specific company needs. Now it is more concerned to

build and educate its own cadre of managers and is giving more attention to international management education.

Decentralization and project teams are important means of providing challenge and responsibility, and as major vehicles for learning and development". The new emphasis on the individual is reflected by a trend away from structured, taught courses to a learner-centred approach, where on the job training is regarded as the best form of development. This might involve giving individuals responsibility, providing support , tolerating some mistakes and using work problems as the basis for looking at new theory. Their formal programmes are about implementing global strategies and about giving those who have to implement them a sense of ownership. Two such programmes are called The Electrolux International Executive Programme and the Business Leadership Programme, mostly for high-potential managers in their late 30s. The programmes aim at the development of a common corporate identity and culture, an international perspective and international networks. Networking is regarded as a major objective of the programme. In the words of one manager, 'it is more a matter of meeting new people and finding out what they do'. Management development is about helping managers to improve themselves but also give them a sense of being part of an international Electrolux culture which depends on networks and develop debate and friendships. The inter-personal factor is very important, managers must learn to respect each other and work together effectively.

Electrolux says that the main purpose of the international management programmes it has set up since 1988 has been to foster networks between its managers worldwide, rather than to develop individual skills. It is already setting the development of such networks, it says, with people calling each other up after the programmes to share problems and seek expertise. As one manager says, networking offers 'consultancy that one can trust.' In Electrolux we are not people who are looking for titles or status symbols. They fear the danger of

recruiting and developing 'clones' and of promoting people in one's own image. They feel that organizations need to take more risks in their human resources policy, both in terms of tolerating some 'oddballs' inside the organization and by sometimes recruiting some fresh life from outside. Corporate personalities, they conclude, must be balanced with unconventional ties and outside perspectives.

ZANUSSI

Nearly 1m large household electrical appliances are sold in Europe in any given week. About 400,000 will have come from Italian factories. Italy became Europe's biggest manufacturer in the 1960s, and continues to hold the leadership; the visual appeal and highly competitive prices are seen as two major factors behind the success.

Until the late 1960s, Zanussi was a white goods market leader which continued to absorb through acquisition its main Italian competitors. In the 1970s the company's Managing Director, Lamberto Mazza, launched the company into new sectors such as solar energy and banking. As a result, the company, already under stress after the death of the founder, Lino Zanussi, perished in a plane crash in 1968 which almost wiped out the entire board of the company, was near bankruptcy, with 70% of operating income as debt. Zanussi called for help and the Swedish answered by acquiring the company outright in 1984. The irony was that in the early 1970s in fact Electrolux was in troubled waters and Zanussi looked ready to step in; two decades later, the situation was reversed.

When Electrolux stepped in, Zanussi was in the red for 33 billion lira; next year the profits topped 33 billion, growing yearly to 98 in 87 and 106 in 1988. This seemed to indicate that the company was generally healthy, but that it had amassed a large debt through poor leadership and venturing into new markets.

In a highly competitive market, Zanussi today exports 70% of turnover. Twenty percent of global production goes to Germany, where there is a long standing agreement with Quelle, a retail chain, whereby Zanussi ships goods to Germany with the Quelle brand. The relationship imposes high quality on these products, in competition with the likes of AEG and Bosch-Siemens. In a recognition of the Italians' productive capacity, Electrolux has transferred part of its production to Italy. All these factors considered, it is not surprising to find that there are still people in Zanussi who think it was wrong to sell out to Electrolux. Aware of this hostility and sticking to its 'hands off' policy, Electrolux did not send a large team of expatriates to head the newly acquired company, as Phillips did when it took over Italy's Ignis in the 1970s. Electrolux instead appointed two senior Italians to run Zanussi: Gian marco Rossignolo as chairman and Carlo Verri as managing director.

When Electrolux bought Zanussi the situation was disastrous with lay-offs, productive stoppages, and general hostility. Through tough bargaining with the unions and concentration on the core business of white goods, plus investment in new facilities, the situation has reversed. A general policy of transparency has helped in the process. As an example, the company is now reverting to outplacement job schemes with the unions' understanding and agreement.

It is said that Zanussi has now adopted the Swedish work ethic, where everybody keeps his word and all information is correct. Management also tries to be honest and upright with the local authorities, the trade unions and the customers. The message took some time to get across, but now it seems to be well received. Electrolux has abolished the pyramid structure to introduce a more innovative structure at the divisional level. This is taking time and effort to implement, but there seems to be agreement on its success.

Today the way Electrolux and Zanussi operate has converged still further - a process helped considerably by the extent to which the Swedes have involved senior Italian executives in

developing new structures and procedures for the new, larger white goods 'product line'. Zanussi controls diverse productive units and more than 14000 employees. It will focus on the core business of refrigerators and centrifuge, with a presence in the components and large commercial appliances. In order to bypass impasses and backups, Zanussi has decided to opt for technological innovation and internationalization. The Susegana plant, near Treviso, specialized in the production of refrigerators, is on the leading edge of technology.

Relations have been fostered further by the fact that several Italians have been given senior international coordination roles within Electrolux as a whole; one of them heads the global components business, while in white goods another is responsible for pan-European marketing policy, and a third for European and US washing machine development. The decision to maintain local managers at the top has been dictated by the quality of these managers. the company realizes the need to have local managers with roots in Italy and an understanding of its laws.

But for many Zanussi managers there is still a considerable difference between the hierarchical attitudes and behaviour to which they were used before the takeover - and which are traditional in Italian industry -and the extreme informality which pervades the way Electrolux executives have always gone about their business. The most obvious evidence of this is, as it has been reported, the way Rossignolo's immediate subordinates still address him deferentially as "Presidente," while Anders Scharp, the president and chief executive of the Swedish parent company, is known by his christian name within many other parts of Electrolux. Rossignolo himself pointed out that "You can't destroy hierarchical thinking from one day to the next." Some Italian managers are also experiencing considerable difficulty adjusting to the ambiguous matrix structure, which has been introduced since the Zanussi acquisition to bind it and Electrolux together and to enable them to manage a complex network of cross-frontier product flows between factories in one country and sales

companies in others. There is also a reluctant shift of Italian attitudes and behaviour towards the ambiguous lines of authority which are endemic to the structure of Electrolux white goods product line.

Management is now open to admit that, traditionally, Zanussi was based on a rigid hierarchical-functional structure. In 1988, together with Electrolux, they designed a new organizational structure. One of the major aims was to move to a global matrix organization, which inevitably will exacerbate the conflict between national and product lines. In order to prepare management to this change, the proposed personnel policies target for the 1990s were :

- motivation
- information-communication-participation
- organization of roles
- job evaluation
- performance evaluation
- selection and development
- emphasis on clarity and transparency
- ability to understand the Swedes' mentality and how to establish good personal and management relationships

Some critics, especially in Italy, argue that Zanussi has been emptied of strategic direction and decisional and research centres, reducing the company to an assembly line. On the other hand, Electrolux brings experience and a worldwide network for sales and support, plus sound accounting skills. Analysts still reckon that Electrolux is one of the best managed companies in Europe. In a mature, highly competitive market, the partnership with

Electrolux could place Zanussi in a good competitive position, providing skills such as financial and managerial accounting, which lacked in the past and almost brought Zanussi to a collapse. From a management point of view, the Swedish influence has already been felt. Relationships with customers, suppliers and unions have improved considerably, and the policy of 'transparency' is filtering down the Zanussi ranks, where the old hierarchical structure is replaced with a more up-to-date managerial approach. Consultation, delegation and consensus are today high on managers' agendas.

Italian Management

Attention in Italy is often paid to small, medium size companies, which make up over 80 percent of industry. Some of Italy's industrial sectors such as food and detergents are nevertheless dominated by large companies. Many of these are often of foreign origin, yet they are well versed in addressing and dealing with the peculiarities of the Italian market. While Italian industry has developed considerably in the past ten years, it is argued that its management has not kept up with the change.

Italy can be considered a modern, industrialized country from an economic point of view. Under ideal conditions one should expect to find modern, rational patterns of administration and management in work organizations, corresponding to modern characteristics of the social structure.

Until recently, however, many of the largest firms in Italy have maintained some aspects of a traditional form of administration. Two traditional characteristics were particularly evident in these firms: the concept of organizational membership as a form of permanent affiliation, and the prevalence of ascriptive criteria in the selection of top managers. [Inzerilli, 1981] These characteristics have survived 40 years of American managerial influence.

Italy, following World War II, entered a period of heavy economic and technological dependence upon the United States. Italian industry leaders relied heavily upon American management theories, philosophies, procedures, and techniques, but little effort seems to have been made toward adapting them to the socio-cultural aspects of the Italian people. After all, research had "proven" that the proper application of those principles increased both the effectiveness and the efficiency of U.S. organizations. Therefore, it seemed safe to assume that what worked in the United States would also yield positive results in Italy; it

often did not. In the past, Italian managers frequently felt that working to make their company prosper was probably their most important responsibility to society. Since patriotism has never been very strong, patriotic sentiment had been replaced by the affection for more fragmented societies. The adoption of American management theories in such a context was bound to run into trouble. Italians still prefer to work for family-like organizations where they will be recognized rather than for anonymous companies. If they belong to the former, they work extremely hard and work very long hours like the Japanese. [Porter and Testi, 1990] When such concepts as employee participation, trusting interpersonal relationships, involvement in decision-making processes, and collaboration between employees and management were put into practice, they met with substantial resistance and resulted in a considerable loss of credibility among practitioners "who failed to consider the cultural implications of notions so foreign to the values of their people". [Boss & Mariono, 1987] Many of the successful American conflict management and confrontation/team building designs have failed in Italy. It is suggested that this has also happened because the Italian culture is not conductive to dealing with emotionally charged issues in a group context. The vulnerability of dealing with affect-related issues, the personal pride of the people, the potential loss of face in a group context, and the lack of consultant experience and skill in dealing with emotionally charged issues are some of the factors working against successful group confrontations. [Boss & Mariono, 1987]

Although there is little quantitative evidence to support the previous statements, a general consensus has emerged on the 'peculiarities' of the Italian managerial system. Ample empirical as well as impressionistic data also confirm expected stereotypes of Italian managers. They are usually seen as autocratic, paternalistic, and very concerned about status symbols. [Hofstede, 1980] "The more frequent managerial philosophy," in the United States, according to Harbison and Myers, "is one that asserts top management's primary

86

responsibility for decision-making and for directing the efforts of subordinates, motivating them, controlling their actions, and modifying their behaviour to fit organizational needs". This is the core of managerial belief in Austria and Italy as well as in the United Stares, but these countries differ between themselves in the degree of "liberalism" which managers apply in interpreting this general and essentially authoritarian core. Of the three countries, Italy and the United States provide the clearest contrast. [Harbison and Myers, 1959] Given these peculiar factor conditions, it is generally agreed that most of the new managerial concepts should have enjoyed little success in Italian companies.

The 'prototypical' image of Italian companies appears the end product of a distinctive society. The political culture of Italy, as analyzed by Banfield on his study of a village in Lucania, is characterized by "amoral familism", according legitimacy neither to the bureaucratic authoritarian organs of the state nor to the civic-political organs of party, interests groups or local community. Almond and Verba admit that it would be incorrect to view all of Italy in these terms, but they argue that the Italian political system contains unusually high parochial, alienative participative components. A large proportion of the Italian population tends to think of the political system as alien and exploitative. The liberating experiences and freedom brought about by the Risorgimento and the resistance to Fascism before and during World War II were incomplete and deeply divisive in their effects. Thus Italians tend to look upon government and politics as unpredictable and threatening forces, and not as social institutions at their service. This lack of confidence in the official structure is in turn, channelled inside the firm. Managers who do not have access to clear organizational charts or career paths ally themselves with those seen to having authority and power.

The creation of these 'power networks' inside the companies is considered an almost

endemic characteristic of Italian management. This image is however derived from impressionistic data alone. There is no hard evidence on the salient characteristics of Italian managers. Furthermore, there is in general a lack of evidence on the late development of a modern industrial, and, in particular, managerial structure.

Comparatively few researchers have analyzed the structure and components of Italian management. Ferrarotti's work [1959] is one of the earliest and perhaps most interesting attempts. His work developed in a period in which Italy, while enjoying relative economic growth, was still lagging behind in industrial development and managerial culture. The few large private sector companies were still run by their original founders or next of kin. The managerial structure within these companies was still rather archaic, with most decision based on the whims of the owners rather than on market forces or management teams.

Thirty years since many things have changed; most original founders have gone, and a number of their companies are now part of big, often foreign, conglomerates. Nevertheless, many of the conclusions achieved by Ferrarrotti are still relevant. When, for example, he attempted to explain Italian management by looking at the short history of Italian unity as well as at its industry, he anticipated most of the later commentary by Child [1981] and Hofstede [1983] on 'cultural background'. Ferrarotti argued that, compared with other Western European countries, Italy's natural and human resources were grossly underutilized. "Italy suffers not only from a shortage of productive capital and raw materials but from a shortage of business leadership which could effectively manage available resources". [Ferrarotti, 1959, p.235] Italian capitalism, in fact, has remained family capitalism. The individual firm, owned and operated by a single family group, was still the prevailing pattern in Italian industry. Even in firms with more than one owner (i.e. shareholders), a high percentage was owned by closed family interests.

As far as the research was concerned, intensive interviews were made during the period

1954-1957 with 30 businessman, 95 union leaders, 64 government officials, and 120 business executives. This is all that can be gathered on the research methods.

On the basis of the study, three main types of patrimonial management have been abstracted to which correspond three types of professional managers. The objective criterion for differentiation is the position afforded by the power of the family in the managerial structure. The first type is Feudal or authoritarian paternalism; it occurs where the business enterprise is completely family owned, controlled, and operated. The family is the only source of power. The second type is Manipulative paternalism; the family still owns and control the enterprise, but it is no longer the sole source of personnel. The most important problem is ensuring loyalty to the family from persons who hold managerial positions but who do not belong to the family.

The third type is democratic or participative paternalism. The enterprise in this case is still predominantly family owned but it is no longer family operated. The firm is managed by professional managers.

Ferrarotti argued that, at his time, most Italian managers fit the second category. The use of clear functional and organizational charts was still rare, and most managers wanted to be involved in all decisions related to their self-perceived areas of expertise, making job definitions and classifications very difficult to identify and classify.

As far as career was concerned, avenues to management were determined by family connections or fortuitous circumstances. Management was still considered a family prerogative which could not be acquired simply through education and training. Thus the educational system reflected the prevailing mentality of the country, resulting in a reluctance to be concerned with practical issues. Ferrarotti concludes by saying that:

"We have seen that the Italian business elite is family centred and motivated, that it is very jealous of its power prerogatives, and the consequences of this centralization of authority are conditioning factors with regard to business operations and behaviour both at the plant level

and in the society at large." "...In Italy we have charismatic leaders or, in Schumpter's term, 'innovating pioneers.' Their presence and initiative account for the amount of dynamism apparent in the present-day industrial scene. But this extraordinary dynamism should not give rise to unwarranted optimism. The problem remains: What is next? How is Italy going to substitute institutional creeds for personal creeds?" [Ferrarotti, 1959, p. 246, 248]

Some of the characteristics of Italian management as identified by Ferrarotti have not changed considerably for the next twenty years. Tannembaum [1974] argues that, nonetheless, some tempering of the Italian system is occurring as industrialization develops and family ownership in its traditional form declines. Professionalization is on the increase even in family-controlled firms, and managers are beginning to adopt some of the pragmatic approaches to managerial control that imply a softening of the traditional autocratic form. A basic concept of american management, managerial mobility, in the past found little success in Italian companies. In a study of a representative sample of 663 managers in Italy, [Derossi,1974] it was found that most of the subjects saw their promotion opportunities as lying within, not outside, their present firm. Derossi also found that their mobility was as low as among Japanese managers. When the Italian managers reach the position of Dirigente - this title indicating top management status - their mobility decreases even further. Derossi found that only 17 percent of her subjects had achieved that position before entering their present firm, compared with a corresponding proportion of 53 percent among American executives [Warner and Abegglen, 1955]. Today, a research published by the Agnelli Foundation in 1989 claims that more and better opportunities for university graduates have been reflected in the fact that the turnover rate among young Italian graduates in industry was, in 1989, above 25 percent. Young managers do not find in the organizations they join after university the challenges and opportunities they expected. Perhaps these young managers have refused other Italian traditional managerial characteristics in favour of a more

modern, northern European style of management.

Conclusions

The striking economic improvements in recent years have severely altered some aspects of social and political structure. Italy joined the ranks of advanced nations in the last two decades. Rapid industrial development has weakened traditionalism; rising standards of living have increased confidence in personal success. Yet, Italian industry is still a mix of parochialism and internationalism. Small, medium size firms have established a level of productive sophistication of technologies which have allowed them to enter highly competitive markets all over the world. Michael Porter [1990] in fact ranks Italy, with respect to progress in international competitivity, only second to Japan. He points out that there are many similarities in the industrial sections. A striking Italian feature of successful industries is geographical concentration in which many, if not hundreds of firms in one industry are located in a single town. This idea of using clusters appears more justified when applied to economic circumstances, such as in this case, than cultural ones, as the culturalists [Hofstede, 1980], would argue.

In general, little is known, at least abroad, on Italian management and on how its managers operate. Rapid industrialization and a more competitive market are forcing companies to review their industrial and manpower policies. What little is known on Italian management is quite dated, and almost invariably linked with other countries, most notably France, in a Latin cluster. Although Italian and French managers share some similar characteristics, they are products of drastically different educational systems. The French one is quite elitist, extremely selective and protective, while the Italian one is less elitist but more disorganized.

Young French managers also work in the public administration before switching to the private sector; Italian managers do not enjoy such osmosis, and their career is either tied to the private or the public sector. Inevitably, views on the role of the state, the enterprise and the unions will vary considerably. Clustering these differences in a Latin group was a good idea when cross-national research was in its early stages. It is perhaps time to break this cluster into sub-clusters which would reflect more individual countries' characteristics which have not been analyzed before.

In summary, previous works have validated the view that Italian managers are autocratic, paternalistic and the like; these characteristics are the result of comparisons with other nations under the same variables. These characteristcis should now constitute the basis for the new analysis and interviews. The issues to look at when analyzing Italian management would be those of autocracy, paternalism and clientelism. These issues should be tested in depth and with an array of different tools in order to ascertain the validity of previous evidence. Following the research hypothesis, it is expected that most of the previous findings on Italy will appear dated, and no longer applicable to today's management reality.

CHAPTER 4

The purpose of this chapter is to test Laurent and Hofstede's evidence on UK and Italian managerial characteristics. The original scores will be reported alongside the new evidence ; the two sets of results will then be compared and discussed. This first evidence highlights the fact that managerial differences between UK and Italian managers are, at least today, less relevant than in the original studies. The second section of the chapter looks at the decision-making process in the organization, analyzing both how managers believe decisions should be taken and how in reality they are taken. The last section focuses at the level of satisfaction with career progression within the organization. Once again, it is quite difficult to draw distinct conclusions from the evidence produced in this chapter. Italian and UK managerial characteristics are very difficult to isolate and categorize into national profiles.

After a flurry of publications in the 1970s and early 80s, in the last few years the field of cross-national managerial studies has been quite neglected. Few new publications have dealt with this topic, and relatively little additional empirical evidence has been presented. This is regrettable, since the considerable social and economic European changes of the last few years are likely to have challenged previous assumptions on national managerial characteristics. In addition, there are a number of areas which still need to be explored more in detail. For example, there is little research on national vs. organizational managerial characteristics, and few publications specify whether their results refer to managerial values, practices, aspirations, and so forth.

The lack of new research has, indirectly, helped to legitimize the evidence published in the 1970s. For example, the notion that Italian and UK managers have considerably different characteristics has been backed in particular by evidence published between the late 70s and early 80s [Hofstede,1980]. This evidence is linked to the culture-specific theory, which argues that the national origin of European managers significantly affect their views of what proper management should be. This argument has gone unchallenged in the last few years;

as a result, the culture-specific theory is now widely accepted and utilized in business and academic settings alike.

This research will try to put some of these 'national' assumptions to the test. The main hypothesis is that Italian and UK managerial differences are very difficult to categorize. Therefore, characterizations of 'national' managerial differences are very difficult to sustain as no overall 'national' patterns can be identified. Thus there is no such thing as "Italian management": each organization displays a set of characteristics which are related to its history, product area, ownership and management style.

This hypothesis will be tested with a two-fold approach; first, some of the tests carried out in the past will be repeated, in order to observe whether, after 10 years, national scores have changed or tend to remain stable. New evidence will also emerge from a new set of tests looking at decision making and satisfaction with career progression. These new result should provide more data on Italian and UK managerial differences.

The second step is to expand the knowledge on cross-national managerial studies by looking at different factors such as, for example, the influence of company affiliation on the distribution of the results.

Before drawing any firm conclusions on national managerial differences, it is important to specify at the outset what the research aims are. Otherwise, one could be left with the impression that the researcher is most concerned with providing plausible explanations for the results rather than explaining at the outset what the research hypotheses are and how they are going to be tested. The research hypothesis should therefore be implemented within a clear framework, which specifies what the research is tapping (values, perceptions, attitudes, etc.), why, and how it intends to go about doing it.

As it has been outlined before, the material available on Italian management is not substantial and also quite dated. Nevertheless, a number of characteristics of Italian managers have been identified. It is accepted that Italian managers are generally autocratic and see their role as that of a benevolent father (paternalism). [Ferrarotti, 1959] One of the consequences is that the decision-making process is rather centralized and structured on a rigid hierarchical scale. Career progression is another topic which distinguishes Italian from UK managers. Italian managers give little value to standardized performance-evaluation schemes, and tend to favour more personal superior-based decisions. Some managers now argue that, as a result, organizational politics, rather than effective performance, is the major yardstick for promotion. [Vineall, 1987] The development of one's potential for career progression in 'latin' firms is described by Evans, [1990] as a political tournament. It is up to each individual to make achievements visible, to attach oneself to sponsors and coalitions, to collaborate with peers but compete behind the scenes. Reading the signals is important - if one is seen as moving slower than competitors, one should move out and on to a smaller and less prestigious firm. Unevenness of power in the organization subtly influences how managers and subordinates relate to each other. Managers who believe that they are on the receiving end of unreasonable or unfair actions from their bosses, for example, may act similarly towards those below them in the organizational pyramid. And the pattern may repeat itself down the chain of command. [Evans, 1990] These arguments have been largely substantiated by evidence produced by the culturalist researchers [Laurent, 1985, Hofstede, 1980]

In order to put this culturalist argument to the test, it is necessary to re-confirm the evidence on which this argument was based. The first task, therefore, is to reproduce Laurent's 13 questions,[1983-1985]; in his study, Italian and UK managers' responses to these 13 questions differed significantly. The same questions are to be tested on a new sample of UK

95

and Italian managers. The second part of the research reproduces a test (5 questions) suggested by Hofstede in his book [1980] which looks at superior/subordinate relationships in the organization. There are no published results on this test, but , on the strength of Hofstede's research evidence, it is expected that UK and Italian managers would differ from each other on these questions. After this initial analysis, it should already be possible to identify a few patterns of answers and compare them to previous evidence.

The chapter will also begin to explore new areas of research, such as the role of company affiliation in the composition of national scores. Although the aim is not to analyze the value of organizational vs. national culture (two dimensions not easily classifiable) it is expected that the results will throw some light on the composition of national scores. It could be that national company A and company B scores are on the opposite ends of the spectrum. When the results are combined, they are likely to indicate that national managers (A *and* B) answers lie somewhere in the middle. The Global company could for example indicate that most managers in its Italian operations feel free to challenge their superiors. Results from the Polycentric Italian unit could indicate the opposite, that is, managers cannot challenge their superiors. The combined published results would indicate that Italian managers lie somewhere in the middle, hiding the importance of the organizational setting.

The chapter will compare Italian vs. UK managers' scores, and will develop as follows: in the first section, Laurent's evidence will be described and tested with new data (4.1). The next section will repeat a test suggested by Hofstede, which looks at superior/subordinates profiles (4.2). The third section will look at Schein's test on decision-making (4.3) and Career success (4.4). The last section (4.5) will summarize the results, attempt to insert them in a contextual framework, and link them to a body of organizational theory relevant to this study. Where possible, the quantitative results will be coupled with qualitative evidence

96

gathered in the units studied. This evidence is meant to strengthen a particular point or highlight important characteristics or differences which did not emerge from quantitative research. The extensive chapter appendixes contain individual unit (4 units) results on each of the sections. These company results will be described and analyzed throughout the chapter. However, it was felt that for ease of reading and clarity of structure, it was better to report the complete company results in a separate appendix at the end of the chapter.

4.1 Laurent's data

The first section of this chapter deals with Laurent's thirteen questions. The aim was to replicate his study on a new data set, and compare the two sets of results. In this research it was also possible to control for company affiliation and therefore establish how the average national scores were composed. The results highlight two important factors: the gap between UK and Italian managers on Laurent's 13 questions in the last 10 years has narrowed considerably. Also, when one looks at the company results, on a number of items there are significant differences among national companies themselves. This, in turn, suggests that company affiliation is an issue which needs to be looked at closely.

Laurent's research, carried out at INSEAD and in two multinational companies between 1979 and 1983 is considered today as one of the bench-marks for cross-national studies. Laurent, like his colleague Hofstede, is a strong believer in the culture-specific theory, which argues that national managers think and behave according to the cultural environment in which they were brought up and currently operate in. Since Italian culture is perceived as being substantially different from the UK one, it is expected that Italian managers think and behave differently from their UK colleagues. In short , the national origin of European managers significantly affects their views of what proper management should be. It is necessary to underline the fact that both Laurent and Hofstede do not state what they study in their research, whether it is managerial values, beliefs, perceptions or assumptions. In fact they do not even contemplate a distinction: they group everything under the wide umbrella of "national culture".

Laurent argues that every manager has his own managerial theory, his own set of representations and preferences that in some way guide his potential behaviour in organizations. In order to elicit their implicit theories of management, he developed a questionnaire proposing 56 different statements about the management of the organization.

A five-point, Likert-style opinion scale was attached to each statement to record the respondent's degree of agreement or disagreement with those statements. The questionnaire was administered to groups of upper-middle level managers attending various INSEAD executive development programmes. There was no control over company affiliation, since managers came from a large number of different enterprises and from a variety of Western countries. Most questionnaires were administered in their English version, though some of the French versions were used for French nationals. The questions were not grouped under specific labels: there is little information as to what Laurent wanted to explore with his questionnaires, beyond a vague concept of "national managerial styles". In general, they fall under three main headings: authority, decision making and hierarchical vs. matrix management.

Statistical analysis of the data was performed by computing "ecological" (see Chapter 1) correlations among country mean scores across the 56 items.[2] Four indices or dimensions emerged from the statistical analysis. Three of them cluster three questions each, one clusters four questions.[3] The results can be interpreted in a number of ways. Italian managers have changed, sample differences heavily affect the results, or Laurent's clustering was less than adequate. Laurent labelled the four dimensions as: organizations as political systems (Table 1), organizations as authority systems (Table 2), organizations as role-formalization systems (Table 3) and organizations as hierarchical-relationship systems (Table 4).

Although statistical analysis was performed initially on country mean scores from five-point

---

[2]Ecological factor analysis was also performed in this research, but the limited number of unit of analyses (two, the UK and Italy), resulted in no output.

[3]Individual factor analysis imposing four factors was run on this data set and resulted in four factors containing relatively different items from those identified by Laurent in his four tables.

opinion scales, Laurent presents the results in terms of percentage average agreement scores

("strongly agree" and "tend to agree" responses) and percentage average disagreement

scores ("strongly disagree" and "tend to disagree" responses) for ease of reading and

interpretation.   Each table thus presents the percentage of managers agreeing or

disagreeing with each statement and their percentage average score across the clustered

questions for each country.

Since the initial results had been obtained from ad hoc samples of managers in executive

programmes, it was not clear whether similar differences in management and organizational

concepts would persist within the potentially homogenizing, corporate culture of a single

multinational company, or whether the multinational culture would be sufficiently strong

and pervasive to swamp national differences.

A full replication of the study was obtained in two, large U.S.-based multinational

companies with subsidiaries in France, Germany and Great Britain (not Italy). The results

indicated the consistent and pervasive effects of national cultures for the three countries

involved. A homogenizing effect of a large multinational corporation toward

standardization of managerial concepts across national cultures was not found in these data.

If anything, the opposite hypothesis could be advanced.

Looking at the percentage of agreement (11 questions) and disagreement (2 questions) with

the statements, Laurent derived conclusions on what he calls "national managerial styles

and practices".   The higher the agreement (or disagreement) with the question, the more

that particular characteristic described in the question was considered relevant for a

country's managerial style and practice. Since the nature of the questions referred to

concepts of organizational power and politics as well as role-definition and superior -

subordinate relationships, Italians were found to score consistently higher on most of the

questions than their UK counterparts. These results reveal a wide gap in conceptions of management between Italy and the UK, confirming the culture-specific theory, which suggests that the national origin of managers has a direct influence on their views of what the 'right' kind of management should be like.

These conclusions will be tested in this first section of the chapter. Almost 20 years have passed since Laurent's first data collection, and it is possible that social, political and economic changes will also be expressed in a new, different set of results. The following tables report Laurent's findings alongside the results of this research. The new set of data indicate that the gap between the two nations' responses is much smaller than it was in Laurent's research. In three out of four of the tables the total average score for Italy, though higher than the UK one, is considerably closer than in previous studies. In the fourth one, organizations as role-formalization systems, the score for Italy is, in fact, lower than the UK one.

LAURENT QUESTIONS

Organizations as Political Systems

		Laurent's Data		This Data	
		UK	Italy	UK	Italy
1. Through their professional activity, managers play an important political role insociety.	agree	40%	74%	41%	67%
8.Most managers seem to be more motivated by obtaining power than by achieving objectives.	agree	32%	63%	33%	47%
2. Most managers have a clear notion of what we call organizational structure.	disagree	23%	61%	18%	22%
average agreement/ disagreement		32 %	66 %	30 %	45 %
Table 1		Italy + 34		Italy +15	

Organizations as Authority Systems

		Laurent's Data		This Data	
		UK	Italy	UK	Italy
6. The main reason for having a hierarchical structure is so that everyone knows who has authority over whom.	agree	38%	50%	34%	34%
12. Today there seems to be an authority crisis in organizations.	agree	43%	69%	18%	29%
3. The manager of tomorrow will be, in the main, a negotiator.	agree	61%	66%	61%	61%
average agreement/ disagreement		48 %	61 %	38 %	41 %
Table 2		Italy + 13		Italy +3	

Organizations as Role Formalization System

		Laurent's Data		This Data	
		UK	Italy	UK	Italy
11. When the respective roles of the members of a department become complex, detailed job descriptions are a useful way of clarifying.	agree	86%	90%	56%	72%
7. The more complex a department's activities, the more important it is for each individual's functions to be well-defined.	agree	85%	94%	83%	58%
13. Most managers would achieve better results if their roles were less precisely defined.	disagree	68%	69%	61%	49%
	average agreement/ disagreement	80%	84%	66%	57%
Table 3		**Italy + 4**		**Italy - 9**	

Organizations as Hierarchical Relationship System

		Laurent's Data		This Data	
		UK	Italy	UK	Italy
10. Most organizations would be better off if conflict could be eliminated forever.	agree	13%	41%	33%	60%
5. It is important for a manager to have at hand precise answers to most of the questions that subordinates may raise about their work.	agree	27%	66%	52%	77%
9. In order to get efficient work relationships, it is often necessary to bypass the hierarchical line.	disagree	31%	75%	22%	26%
4. An organizational structure in which certain subordinates have two direct bosses should be avoided at all costs.	agree	74%	81%	76%	59%
	average agreement/ disagreement	36%	66%	45%	55%
Table 4		**Italy + 30**		**Italy + 10**	

103

There may be many factors to explain these differences. The new set of data was collected in 1991, almost 20 years after Laurent's firsts tests. In this period, it has been acknowledged that European industry has undergone a process of rationalization and growth. Italian managers in particular, may have reached a higher degree of skills-knowledge and professionalization. In the last 20 years, Italian industry and its managers are said to have narrowed the gap with its more experienced Northern European rivals. It is quite possible that this Italian managerial growth is partly reflected in a stronger similarity between the Italian and UK scores for this study.

For example, question 6 states:

The main reason for having an hierarchical structure is so that everyone knows who has authority over whom.

Privately owned Italian companies, starting from the 1980s, have proceeded to reduce the number of both blue and white collar managers, in an attempt to remain competitive and reduce costs [Porter, 1991]. Fewer levels of management mean that individuals are asked to take more responsibilities and rely less on the advice and directives of their superiors. The answers to this question reflect this change; only 34 per cent of Italian (as well as Uk) managers, agree with the above statement.

Similarly, question 9 argues that:

In order to get efficient work relationships, it is often necessary to bypass the hierarchical line.

From existing knowledge, it would be expected that managers would agree with the statement more than they would have in the past, since they now have to take more responsibilities. In the original research, 75 per cent of Italian managers agreed with the statement. In the new study, the percentage was reduced to 26 per cent, compared to 22 per cent for the UK managers.

104

4.1.1

As far as the individual companies are concerned, (see chapter appendix), it appears that on a number of questions there is a significant difference between the two national companies (Unilever UK vs. Electrolux / Unilever Italy vs. Zanussi). For example, on Question 10:

Most companies would be better off if conflict could be eliminated forever.

49% of Electrolux UK managers agree, while only 14% of Unilever UK do. The level of conflict within UK industry in this case seems to vary from one organization to the other. Managers working for Electrolux perceive conflict as a more pressing issue than those at Unilever UK. Although there is no direct link, it is possible that different organizational cultures may have an impact on the level of conflict within each organization. In this case, collecting data only at the national level would have hidden the fact that, within the same country, managers express different views according to the organization they work for. Similarly for Italy, on Question 7:

The more complex a department's activities, the more important it is for each individual's functions to be well-defined.

46% of Unilever Italy (UnilIT) and 71% of Zanussi agree with the statement.

What emerges from this initial test is that the gap between UK and Italian managers' scores seems to have narrowed, and that company affiliation, when possible, is a variable which should be taken into account. As a result, it seems that it is increasingly more difficult to justify traditional national managerial stereotypes, without also specifying where these stereotypes are drawn from.

4.2 Superior/Subordinate Relationship

This second section of the chapter analyzes the results of Hofstede's four questions on Superior/Subordinate Profiles. This test was taken from Hofstede's 1980 book; he included four questions at the end of his book as a suggestion for future research. There is little evidence on published results on these questions, therefore the analysis will be limited to the results produced from this research. It appears that here national differences are even narrower than they were in Laurent's replicated study.

Loss of status can be expected to be one of the manager's major concerns during the process of modernization, because in societies that are still traditionally oriented, there are no differential status systems across different institutional areas. Therefore, loss of status in the work organization also means loss of status in the larger social context. [Inzerilli, 1981] In Crozier's study [1964] 47% of French and Italian managers agreed with the statement "Managers have lost much of their prestige". Italian managers in Derossi's analysis [1974] have a significant low perception of their own status and believe that the wider public shares these same opinions. In reality Derossi rightly points out that the general public considers the occupation of Industrial managers as one of the most prestigious.

A traditional type of authority in Italian organizations is more difficult to exercise when involved in a modernization process. This type of authority is characterized by the fact that the deference of the subordinate is usually motivated by personal loyalty to the superior. It must also be diffused and informal. In fact, since the objectives of traditionally oriented organizations are not specifically defined, it is impossible to define a specific area, functionally related to these objectives, to which the manager's authority applies. The

informal and nonspecific nature of the manager's traditional authority implies that, within the limits of his obligations to his superiors and the rest of the community, he has a certain degree of freedom in administering reward and sanctions to his subordinates. In other words, he can exercise his authority, to some extent, arbitrarily [Inzerilli 1981, Weber, 1947].

Hofstede focused on superior/subordinate relationships and managerial decision making. His aim was to distinguish between those who listen and delegate and those who do not. Italian managers were identified as those who neither listen nor delegate. These traditional Italian characteristics were not confirmed from this research evidence. The repetition of Hofstede's test produced interesting results. Managers' answers, both from the UK and Italy, scored consistently between managerial profile II and III (see chart). Once the answers were compared with Student's T-tests, (UK vs. Italy) no items were found to be significantly different. The first question (q.34) asked managers to identify, among the four managerial profiles, what sort of superior they would like to work with. Surprisingly, UK and Italian scores were identical. (2.9) Subsequently, the test asked (q.35) respondents to identify the managerial profile which most closely reflect their superiors. Again, the UK and Italian scores on this question were identical. (2.6) On question 36, even more surprisingly, the Italian score was higher than the UK one, closer to managerial profile III. That is, the Italian respondents identified managers in their company as being more open than the UK ones did. Finally, on question 37, which asked to which managerial profile the respondents identified with, once again there was no difference between the two scores.

On the strength of previous arguments/evidence, it was expected that Italian managers would have scored differently from the UK ones. Their superiors should have been between managerial profile I and II; direct, authoritative and not in favour of debate; in

short, autocratic managers. In reality, Italian managers' responses were almost identical to those of the UK ones, and very close to manager III. In this profile, the manager is open to debate and consultation before taking any decision.

In the interview process, all managers stressed a desire for a more open relationship with their superiors. On average, managers in Unilever UK and Unilever Italy and Electrolux were quite happy about their relationship, whereas managers from Zanussi wanted a more open system of management and complained about lack of contact and directives from their superiors. This difference is not reflected in the individual companies' scores (see Appendix). There are no clear justifications for this lack of coherence between Zanussi's interviews and company data. It is possible that, on words, Zanussi's managers still refleceted the conflictual management style of the 1970s. One of the main characteristics of this old management style was the amount of complaining within management ranks. When confronted with an anonymous questionnaire, it is possible that the managers reflected about the new reality (as specified in the questions themselves) and their responses reflected closer the new management style. On question 36, which asks to which type managers usually correspond in their company, the answers from Electrolux UK, Zanussi and Unilever Italy scores differ significantly from Unilever UK. Managers from Unilever UK described their superior closer to profile II than the other three companies' managers did. If the results were analyzed only at the national level, it would not have been possible to highlight the fact that, on question 36, although Unilever UK differed, the scores for the other three units (one Uk and two Italian) were quite similar among each others. Limiting one's research to the 'national' level seems, at this point, not enough.

These organizations seem, to a certain extent, to have identities of their own. Whether this is organizational culture, or climate, is difficult to say. It is apparent however that national generalizations, so far, have been very difficult to maintain.

A) The descriptions below apply to four different types of managers. First, please read through these descriptions:

Manager I
Usually makes his/her decisions promptly and communicates them to his/her subordinates clearly and firmly. Expects them to carry out the decisions loyally and without raising difficulties.

Manager II
Usually makes his/her decisions promptly, but, before going ahead, tries to explain them fully to his/her subordinates. Gives them the reasons for the decisions and answers whatever questions they may have.

Manager III
Usually consults with his/her subordinates before he/she reaches his/her decisions. Listens to their advice, considers it, and then announces his/her decisions. He/she then expects all to work loyally to implement it whether or not it is in accordance with the advice they gave.

Manager IV
Usually calls a meeting of his/her subordinates when there is an important decision to be made. Puts the problem before the group and then invites discussion. Accepts the majority viewpoint as the decision.

	T.Sample	UK	Italy
34. Now, for the above types of manager, please circle the one which you would prefer to work under	2.9	2.9	2.9
35. And to which one of the above four types of managers would you say your own superior most closely correspond?	2.6	2.6	2.6
36. To which type do managers usually correspond in your company?	2.4	2.2	2.6
37. To which type do you think you correspond?	2.8	2.8	2.8

4.3 Decision Making

This third section of the chapter is a repetition of Schein's [1985] suggested questions. Similarly to Hofstede's test, there are no comparable results and its data will therefore be analyzed on its own. Interestingly, the differences between national managers are most consistent here at the 'should be' level, than at the 'are' level. It would seem to imply that managerial expectations (should be) are more different between national managers that the perceptions of reality (are) prove to be.

Schein's questions are aimed at identifying the most typical decision making processes in an organization. Following Argyris and Schon's work, the questions are divided into "Should be" and "Are presently" columns. These questions were included in this study in order to test the level of "authorative decision making" in the organization (see table .33 on page 116). It was expected that Italian managers would opt for statements such as "It has always been done this way" or "Our managing director wants to do it this way". It was also expected that the gap between the "should be" and "are presently" column would be much higher for the Italian sample than for the UK one. Italian managers in fact may aspire to a more open managerial style which does not exist in their organization, while the UK ones are more content with the relationship between expectations and reality.

It is usually assumed that participative decision-making is more a characteristic of the UK (Anglo-American) than the Italian (Latin) cluster. [Ferrarotti, 1959; Harbison and Burgess, 1954; Haire et al, 1963]. In fact, in Tannembaum's study [1976] members in the US plants do report a higher level of participativeness on Likert-type questions than do their counterparts in the Italian organizations. Furthermore , the difference in control between the Italian and US plants is primarily in terms of the total amount, not the distribution, according to members. U.S. workers, in their relatively participative plants, exercise more control over what goes on in their organizations than do Italian workers - but US managers also exercise more control than do their Italian counterparts.

111

Italian organizations, for example, are thought to be more 'authoritarian' than US organizations. The fact that US workers exercise more control than the Italian workers fits this conception, but the fact that US managers exercise more control than do their Italian counterparts is not consistent with the notion that Italian organizations are the more authoritarian. There is more concern with status in the Italian organisations than in the US, and Italian managers may behave more atocratically. Lammers and Hickson provide their explanation for this "Italian authoritarian style". they argue that this behaviour, which is manifestly designed to strengthen the control exercised by the top leaders, is apparently more a ritual than an effective technique of control and Italian managers are not in fact 'strong' leaders. Thus the Italian organizations are probably not more authoritarian since the Italian 'authorities', after all, do not exercise more control than do their US counterparts - quite the contrary. If anything, the Italian plants in their study seem to be more laissez-faire than those in the USA. Lammers and Hickson [1979]

At the national level of analysis, although some variations in the results did occur, they were however not sufficient to be classified into 'proper' national clusters (see table .33 on page 116). At the level of how important decisions *are* taken in the organization there were no significant differences, while at the level of how decisions should be taken in the organization the differences were more significant. The third statement "Our managing director wants to do it this way", was chosen by 18 percent of the UK managers and 4 percent of the Italian ones. On the next question, which argued that "We take this kind of decision to the marketing committee and do what they decide" Italians showed that they were more willing to rely on their marketing experts (27 percent), than the UK managers (13 percent).

At the company level of analysis, the national results were confirmed without substantial

variations. On a limited number of items, however, the scores between the national units (Unilever UK vs. Electrolux / Unilit vs. Zanussi) differed significantly. For example, in the section *how important decisions should be taken in your organization*, 52 per cent of Unilever UK managers chose *Let's try and see*, while only 25 per cent of Electrolux managers agreed. On all the other items, there was a higher degree of conformity than in the previous tests. Similarly, Unilever Italy and Zanussi disagreed significantly only on one item,*We take this decision to the marketing committee and do what they decide*, 37 per cent of Zanussi managers agreed, while only 18 per cent of Unilever Italy did the same.

In the section *how important decisions are presently taken in your organization* there were considerably more differences between national unit scores than in the preceding section. For example, 31 per cent of Unilever UK managers choose *We take this decision to the marketing committee and do what they decide*, while only 14 per cent of Electrolux managers agreed. The same Electrolux managers chose *let's try and see* more consistently (53 per cent) than Unilever UK ones (23 per cent). On three other items the Electrolux and Unilever Uk scores differed significantly. In the Italian section, 36 per cent of Zanussi managers chose *Let's try and see*, compared to 16 per cent of Unilit managers, who identified *Our research shows this is the right way to do it* more consistently (65 per cent), than Zanussi managers (16 per cent).

The results indicate that the previously cited "Italian authoritarian managerial style" is not confirmed by these results. The differences among national samples are not significant, and, if anything, the UK managers would like (should be column) a decision making process which is more authoritarian than the Italian one. The notion of "authoritarian decision making" as culture specific in this particular case does not apply.

(33.) Of the following statements, which the <u>three</u> which you think best typify how important decisions are taken in your organization. (Please tick just <u>three</u> appropriate items for <u>each</u> column)

HOW IMPORTANT DECISIONS PRESENTLY TAKEN IN YOUR ORGANIZATION (SELECT 3 ITEMS)	<u>SHOULD BE</u>		<u>ARE</u>	
	UK	Italy	UK	Italy
It has always been done this way	6%	0%	50%	40%
This is the right way to do it.	67%	43%	47%	42%
Our managing director wants to do it this way	18%	4%	63%	55%
We take this kind of decision to the marketing committee and do what they decide	13%	27%	22%	23%
We thrashed it out in three different committees, tested it on the sales force, and if they idea is still sound, so we will do it.	38%	70%	21%	27%
Let's try and see	37%	22%	38%	26%
Our research shows that this is the way to do it	85%	84%	36%	50%
Other	21%	11%	13%	6%

4.4   Career Success

This section looks at what managers think should determine career progression and at what in reality determines career progression. It also explore managers' level of satisfaction/ dissatisfaction with their career progression. In this instance, the results are once again quite difficult to classify and the differences between UK and Italian managers are not substantial.

The section was aimed at testing the importance of Connections, Loyalty and Deference for the career progression of Italian managers. The section was divided into "should", that is the managers' ideal criteria for promotion, and "determines", what in fact actually happens inside the organization (see table on page 120). It was expected that Italian managers would have identified in the "should" column criterias such as Achievements, Communication and Delegation. In the "determines" column on the other hand the criteria would have been items such as Connections, Loyalty and Deference. The results were quite different.

From the results reported on the table on page 120, it emerges that Italians value Delegation (30%) Personality (24%), Communications (42%) and above all Achievements (71%) as criteria which *should determine* career success, while UK managers are attracted by Business Sense (64%), Communications (50%), as well as Achievements (70%). As far as what *determines* career success, Italian respondents emphasize the same items as their UK colleagues except for *Power of Analysis* and *Political Analysis* which are ranked higher. The UK managers instead choose more consistently Business Sense as a determinant of career success.

Interestingly, the percentage of UK managers choosing *Connections* in the determines section was higher (28 percent) than the Italian (20 percent). On existing evidence, it was

115

expected that Italian managers would have chosen Connections more consistently than the UK ones. Connections are in fact an integral part of the concept of clientelism (see chapter 2), one of the perceived characteristics of Italian management. Managers are recruited and promoted on the strength of their personal, family or political connections, rather than their record or performance. This is particularly true of state-owned companies, where family and political patronage are rife and career paths unstructured and unreliable. In this instance, the fact that Italian managers did not identify Connections as an important factor for career progression may be related to the fact that they work for private, foreign-owned companies based in the north of Italy. Unfortunately, there is no comparable data from the South of Italy, but this evidence indicates that regional and organizational environments may be an important factor in the perceptions of practice of the managers polled. The notion of clientelism as "culture specific" therefore would not apply here.

At the company level of analysis (see Appendix 4), there were a number of items on which national units' scores differed between each other. Unilever UK identify power of analysis as a criteria which *should determine* career success, while managers in Electrolux chose sense of Reality more consistently. Zanussi managers were more in favour of Political Analysis, while Unilever Italy identified Personality.

In the section asking what in reality *determines* career success, UK units scores varied more than the Italian ones. Whereas Italian managers were quite consistent in their answers, Unilever UK managers identified Power of Analysis and Communications as determinants for career success, whereas Electrolux ones ticked Loyalty and Sense of Reality. It is interesting to observe that 42 per cent of Unilever UK managers chose Connections as a determinant for career success. The idea that managers are promoted on the strength of their personal friendships rather than business achievements has been often

linked to Italian industry. In this instance, however, 30 per cent of Zanussi and only 10 per cent of Unilever Italy managers chose Connections as a determinant for career success.

The results of the questionnaire so far are starting to define an image of Italian management which has little to do with most available evidence. The standard notions available on Italian management are not confirmed by the data. It may be that these tests alone are not sufficient to doubt existing evidence. More data is thus necessary to confirm these early results.

(32.59) Of the following, which do you think are the **three** most important factors which currently
should determine (question 32)
determine (question 59)

career success for people like you in this organization? (Please just circle the three most important ones)

	SHOULD		**DETERMINES**	
CAREER SUCCESS (select 3 items)				
	UK	Italy	UK	Italy
1.Power of Analysis	31%	7%	16%	35%
2.Political Analysis	0%	10%	14%	32%
3.Connections	0%	2%	28%	20%
4.Loyalty	5%	2%	20%	14%
5.Deference	0%	0%	7%	7%
6.Imagination	25%	17%	6%	7%
7.Business sense	64%	11%	34%	11%
8.Delegation	8%	30%	6%	14%
9.Personality	11%	24%	47%	42%
10.Sense of reality	16%	14%	8%	11%
11.Achievements	70%	71%	73%	63%
12.Communications	50%	42%	29%	31%
13.Courage	4%	7%	1%	4%
14.Other	11%	6%	10%	5%

118

4.4.1 Career satisfaction

The section on career satisfaction and career progression consists of a set of three questions aimed at testing the general level of satisfaction with career progression inside the organization. From previous evidence, it is expected that Italian managers would be quite unhappy with their career progression, since the organization should be run with an autocratic, paternalistic and clientelistic management style. The items on career satisfaction and career progression provide new and contrasting evidence.

Managers' responses on the career satisfaction questions are reported on the table on page 120. On question 60, UK managers (76 per cent) and Italian ones (62 per cent) are generally satisfied with their career progression. However, when asked to compare their career progression with that of other colleagues, 59 per cent of UK managers consider their career progression superior to comparable colleagues, whereas a low of 38 per cent of Italian ones consider it to be better. Finally, 51 per cent of UK managers think that there are factors which have hindered their career progression (question 63), while only 40 per cent of their Italian colleagues agree. From these results, it is difficult to extract enough information to sustain that UK managers are happier with their career progression than Italian ones, or viceversa.

On the company scores (see chapter appendix), there was an overall similarity in the results, with individual units confirming the average national results. The only significant difference was on question 61, where only 17 per cent of Unilever Italy managers felt their career had developed better than their colleagues, compared to a substantial 49 per cent from Zanussi.

The similarities at the company level of analysis are further confirmation that Italian managers are closer in their scores to their UK colleagues than expected.

119

60. How satisfied are you with your career progress to date in your company?

	UK	Italy
Very Satisfied	11%	8%
Satisfied	65%	54%
Undecided	11%	17%
Dissatisfied	10%	17%
Very Dissatisfied	0%	3%

61. How would you rate your career progression to date in your company compared with other people you know who joined at the same time as you?

	UK	Italy
Much Better	13%	9%
Somewhat Better	47%	29%
About the Same	33%	50%
Somewhat Worse	7%	11%
Much Worse	0%	0%

Are there any factors which you can think have hindered your career progression in your company?

	UK	Italy
YES	51	40
NO	48	59

When a number of these 'career' results were discussed in the interview process, it emerged that being sent abroad was described as vital for career success at Unilever Italy, and less so at Unilever UK. On the other hand, it was deemed irrelevant at both Electrolux UK and Zanussi. In fact, managers in both these two units felt that staff from headquarters tried to limit staff mobility to the necessary minimum. Career paths were well laid out in both Unilever UK and Unilever Italy, relatively clear at Electrolux and very difficult to identify at Zanussi. In fact, managers in Zanussi felt that the company did not have any fixed career paths; it was more a matter of personal connections and being the right person in the right place at the right time.

These results outline the fact that each unit, to a certain extent, is an entity of its own, with its own described peculiar characteristics. It is probable that these units will have in turn many different facets, displayed by different results in the sub-units. This, once again, highlights the importance of the organizational unit of analysis and the need to support quantitative evidence with interview data. The richness in history and tradition of each company is likely to be borne out by the answers of its managers, and cannot be overstated.

Conclusions

The evidence of this chapter is an early indication that generalizations about national UK and Italian managerial styles and practices are difficult to sustain. Laurent's evidence does not find support from this set of data: this research does not in fact identify such a thing as "Italian management". Hofstede and Schein's tests fail to provide conclusive evidence in favour of one national managerial style or the other. Issues such as satisfaction with career progression do not provide evidence in favour of an "Italian management profile". When asked to distinguish between "it is" and "should be" Italian managers did not report a wide

gap between expectations and reality. According to existing literature, this gap should instead be substantial. Italian managers are expected to wish for an open and meritocratic management system, but in reality must cope with an autocratic and paternalistic one. From the evidence of this chapter a number of items on the "it is" scales have identified the UK managers closer to the traditional Italian profile than the Italian managers themselves. Perhaps the UK managerial profile needs rewriting too. Also, it is worth exploring more in detail in Chapter 5, whether the difference between values and perceptions of practice (should be - it is) is a logical one and provides data to back up these early findings.

CHAPTER 5

The amount of literature on cross-national managerial differences usually does not specify at what level these national differences are to be found (values, practices, etc.), and whether these differences are consistent not only at the national, but also at the organizational level. The focus of analysis is usually at the national level, comparing one country against the other. This strategy tends to ignore organizational differences, which could possibly give some meaningful explanation and interpretation to the national results. This chapter will focus on managerial values and perceptions of practice, and it will analyze the managers' responses both at the national and at the organizational level. The techniques used in the analysis of the data will be factor analysis and Student's T-tests.

The evidence from this chapter suggests that, similarly to the previous chapter, the differences between Italian and UK managers tend to vary at the national as well as at the organizational level. The two sets of results cannot be therefore classified into clear 'national' profiles; the culturalist thesis does not find support from this evidence either.

This research is an Anglo-Italian comparison of managerial values and perceptions of practice. It aims to establish, among other things, where Italian and UK managers differ from each other. In the existing literature, there is little information on how possible national differences relate to the organizations respondents work for. Organizational affiliation was a factor few researchers took into consideration. In this particular study, it was decided to analyze both national and organizational units' results, in order to explore more in detail the composition of the aggregate, national results. The first section of the chapter (5.1) will outline the 14 related values and perceptions of practice. The second section (5.2) will report the results of factor analysis. The third section (5.3) will look at managerial values (5.3.1) at the national and organizational level; the same tests will be reproduced for the perceptions of practice section (5.3.2). The last section will draw some conclusions on the strength of the evidence collected.

5.1 Related Values and Perceptions of Practice

This first section, reports the 14 related values and perceptions of practice: each value has its corresponding perception of practice listed below. In the following sections, the two sets of questions will be analyzed separately.

As mentioned before, there is little evidence on what questionnaire items tapped in previous research. Was it beliefs, behaviour, perceptions of practice, values? This part of the questionnaire was designed in order to identify first 14 values, that is what a manager feels with respect to a number of managerial concepts such as superior/subordinate relations, meritocracy and decision making. For example, the following question asks: "Subordinates should only report to their direct superior". This statement taps a managerial value. The corresponding perception of practice states that "Subordinates usually report only to their direct superior". These questions were designed in order to test the gap between Italian managerial values and perceptions of practice. The aim was to test the traditional Italian managerial style as identified in previous literature and to observe whether its salient characteristics (Autocracy, Paternalism and Clientelism) were more prevalent at the level of value or perception of practice. The idea was to explore the role of the organizational environment. If the Italian managerial profile was predominant at the value level, then the culture specific theory may have proved appropriate. If, instead, it was predominant at the perceptions of practice level, the role of the organization needed further analysis. The following list reports the 14 values with the corresponding 14 perceptions of practice.

15. Managers should give their subordinates only that information which is necessary for them to do their immediate task.
49. Subordinates are only given the information necessary to do their immediate task.

16. Superiors should have a great deal of influence over the careers of their subordinates.

53. Superiors in this company have a great deal of influence over the careers of their subordinates.

17. Each level of management should have its own set of rewards and fringe benefits.

48. In this company each level of management has its own set of rewards and fringe benefits.

19. Major decisions in an organization should always be cleared with superiors.

41. Major decisions must always be cleared with superiors.

20. Companies have a responsibility to do what is best for their employees.

40. In this company, the interests of the employees are a priority.

21. Subordinates should only report to their direct superior.

51. Subordinates usually report only to their direct superior.

22. Managers with ability should succeed whether they are involved in company politics or not.

46. To be a successful manager with this company, it is important to be aware of and play company politics.

23. The manager-subordinate relationship should be a paternalistic one.

52. The manager-subordinate relationship in this company is a paternalistic one.

24. Superiors should give detailed and complete instructions to their subordinates, rather than providing general directions and depending upon their initiative to work out the details.

47. Senior managers always give detailed and complete instructions to their subordinates.

26. In business, merit should be the most important criterion for promotion.

42. Employees' careers in this company are determined on merit.

27. Superior should usually know what is best for their subordinates.

55. My boss usually thinks he knows what's best for me.

28.When superiors take major decisions, subordinates don't have to be consulted.

43. I am rarely consulted when superiors take important decisions in my area or department.

30.The use of rewards (pay, promotion,etc.) and punishment (failure to promote, etc.) is not the best way to get subordinates to do their work.

45. Senior managers seldom use rewards (pay, promotion, etc.)and punishment (failure to promote, etc.) to get subordinates to do their work.

31.Management development programmes should be considered more fringe benefits than real learning opportunities.

54. Our management development programmes are in reality more fringe benefits than real learning opportunities.

5.2   Factor Analysis

This second section reports the results of the factor analyses. The use of factor analysis in this research was aimed at identifying groups of questions or dimensions on which national managers differed significantly.

The first step in the data analysis was to run factor (individual) analysis on the 14 values and related perceptions of practice items in an attempt to identify groups of questions in which the distribution of scores showed similar patterns from low to high agreement across the clustered questions. These groups of questions or indices should have suggested factors or dimensions that may have meaningfully differentiated national managers.

Work-related Values

The test was run at the <u>Value</u> level (Table 3) first on *all* cases (UK plus Italy) . Three factors of at least four items each were found. The groups were:

Group 1

24. Superiors should give detailed and complete instructions to their subordinates, rather than providing general directions and depending upon their initiative to work out the details.
28.When superiors take major decisions, subordinates don't have to be consulted.
15. Managers should give their subordinates only that information which is necessary for them to do their immediate task.
31.Management development programmes should be considered more fringe benefits than real learning opportunities.

Group 2

30.The use of rewards (pay, promotion,etc.) and punishment (failure to promote, etc.) is not the best way to get subordinates to do their work.
16. Superiors should have a great deal of influence over the careers of their subordinates.
27. Superior should usually know what is best for their subordinates.
17. Each level of management should have its own set of rewards and fringe benefits.

127

Group 3

19. Major decisions in an organization should always be cleared with superiors.
20. Companies have a responsibility to do what is best for their employees.
21. Subordinates should only report to their direct superior.
23. The manager-subordinate relationship should be a paternalistic one.

In order to confirm the validity of these initial findings, the same test was subsequently run

separately on the UK cases, and then on the Italian ones. It was expected that the factor

groupings from the UK and Italian analyses would have been quite similar to those resulted

from the analysis of the overall sample, therefore identifying a few stable patterns across

the three groupings of cases.

Factor analysis on the UK cases did nor result in any clusterings. Varimax failed to

converge 24 iterations. The analysis of the Italian cases instead produced 5 clusters, one

more than on all cases.[4]

There were few similarities among the only two comparable sets of results, all the cases

and the Italian ones. Only three items, V31,V24 and V15 were factored together in both

results.

31.Management development programmes should be considered more fringe benefits than real learning opportunities.
24. Superiors should give detailed and complete instructions to their subordinates, rather than providing general directions and depending upon their initiative to work out the details.
15. Managers should give their subordinates only that information which is necessary for them to do their immediate task.

Looking at the UK factor matrix, only V31 and V15 grouped together.

31.Management development programmes should be considered more fringe benefits than real learning opportunities.
15. Managers should give their subordinates only that information which is necessary for them to do their immediate task.

The evidence presented here is a confirmation of the difficulty of identifying consistent

---

[4]Since Varimax did not cluster the UK sample, the analysis was run with Oblimin as well, to see if this technique would cluster the UK sample. It did not, and it also failed to converge the Italian sample.

patterns among national scores. Perhaps the perceptions of practice questions would cluster in more homogeneous groups.

Factor Structure of Work-related Values 14 related items

| | International Sample | | | | UK sample * | | | | | | Italian Sample | | | | |
	Fact 1	Fact 2	Fact 3	Fact 4	Fact 1	Fact 2	Fact 3	Fact 4	Fact 5	Fact 6	Fact 1	Fact 2	Fact 3	Fact 4	Fact 5
V24	.611							.490				.624			
V28	.576					-.491							.591		
V15	.548				.617							.612			
V31	.533				.502							.653			
V22		.736				.552								.519	
V26		.712					-.651				-.561				
V30			.588		.463										.781
V16			.569		.464								.744		
V27			.538				.538					.707			
V17			.455							.560				-.700	
V23				.628	.557									.578	
V19				.536				.561			.409				
V20				.444		.439					.603				
V21				.430					-.564				.558		

* For the UK sample, Varimax failed to converge in 24 iterations. The numbers reported are therefore only factor matrix results.

Table 3

130

<u>Perceptions of Practice</u>

The same factor procedure was later used for the analysis at the <u>Perceptions of Practice</u> level on the 14 related items. (Table 2) Factor analysis was run first on all cases, and then separately on the UK and Italian cases only. The first analysis generated once again four different factors of at least three items each. In contrast with the value section, factor analysis on the perceptions of practice for UK managers was able to cluster a number of items together, albeit factor 5 and factor 6 were made up of two and one item respectively. The last group, Italy, reported five factors with the last two made up of three items in total. In this section as well there were no clear, identifiable patterns; the items loaded differently depending on the group of cases (all, UK and Italy) analyzed. Only two items, V42 and V46 were consistently factored together.

The mixed results which emerge from the factor analyses make any categorization of the data very difficult. For this particular research, factor analysis is therefore not very useful; other test will be needed in order to draw some meaningful conclusions.

As far as the questions were concerned, there is no conclusive evidence to support national managerial differences. At the value level, factor analysis did not work for the UK data. As far as the perceptions of practice were concerned, the fact that only two items consistently loaded together confirmed the inability of statistical analysis to reproduce the "national managerial profiles" identified before. The distinction introduced between values and perceptions of practice did not help to shed light over the culturalist hypothesis. At this point of the research, the culturalist thesis looks increasingly difficult to sustain with this set of data.

Factor Structure of <u>Perceptions of Practice</u> 14 related items

	International Sample				UK sample						Italian Sample				
	Fact 1	Fact 2	Fact 3	Fact 4	Fact 1	Fact 2	Fact 3	Fact 4	Fact 5	Fact 6	Fact 1	Fact 2	Fact 3	Fact 4	Fact 5
V42	.760				.510						.779				
V46	.696				.670						.728				
V47	-.624							-.478			-.628				
V51		.592				.742								.624	
V54		.553					.691					.403			
V49		.548			.593							.642			
V52		.527				.737					.481				
V41			.705		.728									.875	
V43			.579				.498					.602			
V40			.320				.708						.607		
V45				.615						.848			.686		
V48				.585					.709				.605		
V53				.554				.750					.576		
V55				.413					.629			.722			

Table 4

132

5.3 Student 's t-tests

This third section will look at the 14 values and perceptions of practice through the use of student's t-tests. At the UK vs. Italy level, both values and perceptions of practice differ significantly. However, when the analysis is limited to the organizational cases, without the business school ones, the items significantly different tend to be fewer and also different ones. The same conclusions can be drawn from the analysis of the individual companies (four companies for a total of six tests), where each company displays characteristics of its own.

Since the study was an Anglo-Italian comparison, it was decided to look individually at each of the 14 values *and* related perceptions of practice items through the use of Student's t-tests, comparing the UK cases versus the Italian ones. The goal of this statistical analysis was to establish whether or not there were significant differences between the two groups. This first section focuses on the relevant differences between the UK and Italian managers on the *work-related values* answers. The data is analyzed with T-tests on a country level and subsequently on a company level.[5]

Here will follow a preliminary analysis of the results and an eventual classification. The first section will look at the value statements, the second at the perception ones. The questionnaire has been coded so that a high score from a question indicates a high level of agreement with the statement. A low score implies that the respondent does not agree with the statement. The statements used here refer to the issues of Autocracy, Clientelism, and Paternalism. A high score thus indicates a high presence of these factors. Where not

---

[5] The complete results of the T-tests are reported in the chapter appendixes.

indicated, Italy scores higher on each question.

From previous literature, it was expected that the UK and Italian managers scores' differences would have been significant on a number of items. The 'cultural specificity' argument popularized by Adler [1986] and Schneider [1989] argued in fact that Italian and UK managers differed consistently on items such as power distance, company politics and paternalism.

Work-related Values

The tests were initially run at the national level (UK vs. Italy), first at the work-related value level. Table 3 shows each of the 14 selected values, and how they score.

values	T.Sample	UK [0]	Italy [1]
V15	1.79*	1.60	1.92
V16	3.06*	2.91	3.16
V17	3.47*	3.06	3.75
V19	3.68	3.60	3.73
V20	3.51	3.61	3.44
V21	2.94	2.87	2.99
V22	1.60*	1.74	1.51
V23	1.87*	2.26	1.61
V24	2.29*	2.13	2.40
V26	1.88	2.00	1.80
V27	3.54*	3.13	3.81
V28	2.36*	2.21	2.45
V30	2.67*	2.41	2.83
V31	2.00*	1.77	2.15

The sign * denotes a significant difference between the two scores (5% level).   Table 3
The specific items to which the variable numbers refer to are listed in full on pages 127-128.

The UK and Italian scores differ substantially at this level. In fact, 10 out of 14 values differ below the 0.05 level. Significantly, Italy scores higher on 8 out of these 10 items. Without looking at the specific items themselves, these results tend to confirm the majority of cross-national studies; Italian and UK managers have their own peculiar managerial characteristics, and share little similarities.

It is worth pointing out at this point that previous researches have limited their analysis at this 'national' level. One of the criticisms on previous literature, as described before, is that there is little evidence on how the national results compare to the organizational ones.

135

In other words, there is little information on the distribution of the scores for each organization or unit which make up each national sample.

The following analysis will therefore look first at the national samples, and then focus on the organizational ones. The hypothesis was that the organizational results within the Italian sample may differ substantially from one unit (Unilit) to the other (Zanussi). The differences in results would therefore be attributed to company affiliation rather than nationality. The more rigid organizational environment of Zanussi could, for example, be expressed in a higher score for autocracy and paternalism on behalf of the Zanussi managers themselves.

UK vs. Italy (organizational cases only)

Student's t-tests comparing UK and Italian managers using only the organizational cases, (that is, without the business school questionnaires) originated a slightly different set of results. Seven items differed significantly at the value level, (compared to 10 when all respondents were used). These results did confirm, to a certain extent, those that emerged from the analysis of the overall sample, in that the same items which were significantly different on the company cases were also different on all the cases. However, the numbers in the analysis of the organizational cases were smaller; seven items differed significantly, instead of the 10 at the Total sample level.

values	O.Sample	UK [0]	Italy [1]
V15	1.70*	1.59	1.81
V16	3.08	3.00	3.15
V17	3.52*	3.12	3.81
V19	3.70	3.67	3.70
V20	3.48	3.61	3.41
V21	2.76	2.81	2.72
V22	1.59*	1.76	1.50
V23	1.87*	2.25	1.65
V24	2.17	2.05	2.23
V26	1.90	2.01	1.83
V27	3.52*	3.23	3.74
V28	2.35	2.31	2.38
V30	2.65*	2.45	2.79
V31	1.96*	1.83	2.05

The sign * denotes a significant difference between the two scores.   Table 4

The last analysis compared the two individual Italian units. The aim was to observe the distribution of significant differences. Wether, for example, Zanussi scored consistently higher than Unilit. This evidence would not be reported at the national level of analysis

and it would hide the power of organizational affiliation within each individual country. Such a result would be further confirmation of the difficulty of sustaining the "culture specific" argument, which considers culture only at the national level of inquiry.

Organizational Units

Student's t-tests comparing Italian units also produced results which did not identify any consistent patterns. There were only 5 items with a considerable difference between organizational units.

	Zanussi	Unilever Ita
V15	3.0	3.5*
V17	2.7*	2.3
V20	3.2	3.5*
V21	3.0*	2.4
V30	2.4	2.7*

Zanussi scores higher on V17 and on V21

17. Each level of management should have its own set of rewards and benefits.
21. Subordinates should only report to their direct superior.

Unilever Italy scores higher instead on V15, V20 and V30

15. Managers should give their subordinates only that information which is necessary for them to do their immediate task.
20. Companies have a responsibility to do what is best for their employees.
30. The use of rewards (pay, promotion, etc.) and punishment (failure to promote, etc.) is not the best way to get subordinates to do their work.

As far as the Italian organizational sample is concerned, it appears that no consistent

138

differences can be observed at the value level. Managers carry with them a set of values which cross organisational boundaries.

5.3.2 Perceptions of Practice

On the perceptions of practice side, at the Total sample level, there are eight differences between the Italian and the UK responses. It should be stressed that the organizational structure and ownership of the Italian units being observed does differ substantially from average Italian companies. These companies are private, based in the north, and controlled by foreign multinationals. The Business school sample as well did not include any managers from the state sector. Although issues such as paternalism, and, in particular, clientelism, are still relevant, they are not an overwhelming factor as in the state sector.

Perceptions	T.Sample	UK [0]	Italy [1]
V40	3.60*	3.38	3.66
V41	4.07*	3.84	4.11
V42	3.20*	3.29	3.00
V43	2.46*	2.26	2.56
V45	2.85	2.90	2.91
V46	3.22*	3.38	3.03
V47	2.30*	2.18	2.50
V48	3.23*	3.35	3.03
V49	2.76	2.72	2.90
V51	3.22	3.27	3.20
V52	2.48*	2.76	2.45
V53	3.82	3.79	3.74
V54	2.39	2.30	2.47
V55	3.09	3.18	3.06

The sign * denotes a significant difference between the two scores.   Table 5

UK vs. Italy (organizational cases only)

Student's t-tests comparing UK and Italian managerial perceptions of practice using only the organizational cases, (that is, without the business school questionnaires) originated a different set of results. Six items differed significantly at this level, (compared to 8 from the all the cases) These results did not confirm the evidence emerged from the national level of analysis. Two items, V42 and V48, which differed significantly at this level, were not confirmed at the organizational level of analysis. The results highlight that the perceptions of practice are not consistent between the units analyzed. Carrying out the analysis without the Business school sample has underlined the fact that each unit analyzed has characteristics of its own which tend to be blurred at the national level of analysis. If these differences on perceptions of practice are confirmed also at the Italian unit level of analysis (Unilit vs. Zanussi), it can be drawn that any research which would limit the study to the national level is likely to identify and describe results which mask relevant organizational differences. In other words, explaining the results at the national level is likely to involve factors such as culture, history, education, etc. If the analysis is carried out also at the organizational level, these explanatoring factors are no longer valid. Issues such as organizational culture, business history and product area, and so on would need to be considered. The table reporting the relevant data is on the next page.

Perceptions	O.Sample	UK [0]	Italy [1]
V40	3.60*	3.38	3.72
V41	4.07*	3.89	4.18
V42	3.20	3.32	3.12
V43	2.46*	2.24	2.61
V45	2.85	2.89	2.83
V46	3.22	3.35	3.14
V47	2.30*	2.14	2.41
V48	3.23	3.33	3.17
V49	2.76*	2.62	2.88
V51	3.22	319	3.24
V52	2.48*	2.62	2.38
V53	3.82	3.74	3.86
V54	2.39	2.38	2.41
V55	3.09	3.19	3.03

The sign * denotes a significant difference between the two scores.   Table 6

Organizational Units

Student's t-tests comparing individual Italian units instead produced results which identified a consistent pattern.

Unilit   **Zanussi**

V41	2.6	3.1*
V43	2.9	3.3*
V46	2.9	3.4*
V48	3.0	3.3*
V51	2.4	2.7*
V52	3.0	3.4*

The Zanussi managers scored higher on six items, V41, V43, V46, V48, V51, V52

41. Major decisions must always be cleared with superiors.
43. I am rarely consulted when superiors take important decisions in my area or department.
46. To be a successful manager in this company, it is important to be aware of and play company politics.
48. In this company each level of management has its own set of rewards and fringe benefits.
51.Subordinates usually report only to their direct superior.
52. The manager-subordinate relationship in this company is a paternalistic one.

These results are different from those at the value level, where the six differences were equally divided among the two organizations. These results indicate a higher level of dissatisfaction perceived by the Zanussi managers, which is reflected in their portrayal of the organization as being run on autocratic and clientelistic criteria. These results were broadly confirmed by the interview process. This is perhaps the "core" of Italian management as previously described. The perceptions of practice of one particular company which was previously run with an autocratic management style. The Zanussi results on perceptions of practice confirm the standard Italian managerial profile. The culturalist thesis has finally been proven correct, albeit on quite different terms than previously thought.

<u>Observations</u>

The research has finally been able to identify the classic "Italian managerial profile". However, it discovered it in the wrong place: at the perception of practice level on one Italian organization, Zanussi. Managerial values, the "cultural imprints", as the culturalist would call them, are instead quite similar, or, at least, the differences are difficult to categorize. This finding is quite significant: it underlines the necessity for cross-national studies to focus the analysis on both values and perceptions of practice, or on similar concepts. This finding also requires new studies to look also at the organizational level of analysis. The differences of results between Unilt and Zanussi are an indicator of the importance of the organizational environment, a factor which had not been considered in the past.

CHAPTER 6

In this chapter, analysis of variance were employed to establish the role of citizenship and company affiliation in the distribution of the results. The second section will look at the results of the qualitative analysis and integrate them with the quantitative data. Once again, the mixed results prevent any clear identification of national managerial differences.

The previous chapters outlined the difficulties encountered when attempting generalizations about national managerial characteristics. Both national *and* company affiliation were factors which affected the results, and it was often difficult to distinguish the influence of either of these two criteria on the results. In the first section, 6.1, the following sets of tests, through the use of analysis of variance (ANOVAs) tried to establish the role of citizenship and company affiliation in the distribution of the results; whether *nationality* or *membership in an organization* explained a significant share in the variance in the answers by respondents on the 14 value and related perceptions of practice. The analyses were run on *all* cases (UK and Italy, for a total of six 6 units). In order to test the relative contribution to the variance in the data of the two criterion variables (Citizen *and* Company: controlling for Sex, Level, Age, Marital status, Education). ANOVAs were also performed on a set of sub-groups covering different groups of respondents on all six criteria. The sub-groups included nationality (citizen, all six units), unit (company units), company type (Polycentric and Global) and national company (UK companies and Italian ones) The second section of the chapter (6.2), will look at the results of the qualitative analysis and integrate them with the quantitative ones.

6.1 ANOVAs

The complete results of the one-way ANOVAs by Citizenship and Company are reported in Tables 1 and 2. For the questions on Values and perceptions country differences explain a similar variance to organization affiliation on most questions studied. On the value side, Citizenship is a significant predictor in 10 out of 14 questions. When the questions are analyzed by Company, 12 out of 14 items are significant. The analysis at the perceptions of practice side was slightly different, since fewer, eight, items were significant by Citizen and nine by company. When the analyses are looked at as a whole, managers' answers were not systematically different between values and practices questions from the cross-national to the cross-organizational study.

The fact that the nationality of the respondents (and sometimes the other criterion variables, such as sex and level) affected the scores of the questions highly may not mean that a respondent's answer is fully predictable from his or her nationality or any other critieria. A number of the ANOVAs with different sub-samples and other criteria may provide further clues.

The last set of analyses looked at data on National company UK (Unilever UK and Electrolux) and National company Italy (Unilever Italy and Zanussi) As it has been pointed out before, the two MNCs studied have been described as having a different structure. One, called Global, has a fairly uniform corporate culture and a similar structure across all of its operations. The other, Polycentric, is characterized by a rather weak corporate culture and great independence allocated to its foreign operations. The results, reported in Tables 4 and 5, indicate that company type (Cotype) compared to citizen results from same table is not an important factor in the distribution of the scores, and explain little variance

146

in the scores at both Values and Perceptions of Practice level. At the value level Education and Ageband seem to account for some variance in the scores, and so does Level at the Perceptions of Practice level.

These results would also seem to challenge the idea that organizations (as far as this research was concerned), select, train and develop employees in order to create a set of managers very close to the corporate culture or the espoused theories of the organization itself.

What emerges again from this further analysis is that it is very difficult to conceptualize a set of managerial differences consistent at the various levels of analysis and also identify a clear Italian managerial profile. In this research in particular, it is difficult to quantify the degree of variance between country and organizational differences. The variance between scores at the Values and Perceptions level is such to deny any form of clustering or consistent comparison. One of the following observations is that when looking at the cross-national studies, if the analyses look at individual organizational samples the degree of uniformity between the different sets of results might, as expected, be quite low. However, sticking to a general, national level can provide some relative straightforward clusterings. These clusters are relatively untested, that is they are the sum of a non-random sample of managers from different organizations. If possible, in future research it would be important to look also at company affiliation. It appears that national level conclusions mask a set of organizational differences which if taken individually, could help interpret the structure and the reliability of the national differences.

147

ANOVA

by Citizen

VALUES

	Citizen	Sex	Level	Mastat	Education	Ageband R^2
V15	*(ita)			*(0)		.109
V16	*(ita)					.067
V17	*(ita)					.142
V19						.019
V20						.019
V21						.057
V22	*(UK)					.052
V23	*(UK)					.190
V24					*(0)	.057
V26	*(UK)					.032
V27	*(ita)					.160
V28	*(UK)					.040
V30	*(ita)				*(0)	.070
V31	*(ita)				*(0)	.089

Perceptions

	Citizen	Sex	Level	Mastat	Education	Ageband	R^2
V40	*(ita)						.035
V41	*(ita)						.089
V42	*(UK)		*(3)				.051
V43	*(ita)		*(3)				.063
V45							.011
V46	*(UK)		*(2)				.085
V47	*(ita)						.074
V48	*(UK)				*(0)		.067
V49							.017
V51							.022
V52	*(UK)				*(1)		.063
V53							.031
V54							.019
V55							.018

Codes:
    Citizen 1 UK 2 Ita
    Level 1 senior m 2 middle m 3 junior m **Mastat** 1 married 2 No
    Education 1 University 0 No university **Ageband** (18 to 30)=1 (31 to 40)=2 (41 to 50)=3
    (51 to 70)=4
    R2 Multiple R Square

Table 1

ANOVA

by Company

VALUES

	Company	Sex	Level	Mastat	Education	Ageband	R²
V15	*				*(0)		.147
V16	*					*(3)	.095
V17	*						.155
V19							.045
V20							.040
V21	*						.157
V22	*						.066
V23							.193
V24	*				*(0)		.111
V26							.057
V27	*						.182
V28	*						.066
V30					*(0)		.079
V31	*(ita)				*(0)		.110

Perceptions

	Company	Sex	Level	Mastat	Education	Ageband	R²
V40	*						.050
V41	*						.120
V42	*		*(3)				.099
V43			*(3)				.066
V45							.026
V46	*		*(3)	*(1)			.191
V47	*	*(0)					.104
V48	*	*(0)		*(0)			.099
V49							.038
V51							.041
V52	*					*(1)	.106
V53	*						.079
V54	*						.052
V55							.026

Codes:
> Company 1 to 6 (UnilUK, Elux, Zan, UnilIt, Boc, Ash)
> Level 1 senior m 2 middle m 3 junior m   Mastat 1 married 2 No
> Education 1 University 0 No university   Ageband (18 to 30)=1 (31 to 40)=2 (41 to 50)=3
> (51 to 70)=4
> R2 Multiple R Square

Table 2

ANOVA

by Cotype / Citizen

VALUES

	Cotype	Citizen	Sex	Level	Mastat	Educ	Agebd	R²
V15	*					*(0)		.127
V16	*						*	.084
V17		*(ita)						.153
V19								.024
V20								.158
V21	*							.135
V22		*(UK)						.058
V23		*(UK)						.058
V24	*					*(0)		.102
V26		*(UK)						.039
V27		*(ita)						.160
V28		*(UK)						.043
V30		*(ita)				*(0)		.074
V31		*(ita)				*(0)		.092

PERCEPTIONS

	Cotype	Citizen	Sex	Level	Mastat	Educ	AgebdR² ²
V40		*(ita)					.045
V41		*(ita)					.089
V42		*(UK)		*(3)			.060
V43		*(ita)					.065
V45				*(3)			.022
V46							.086
V47		*(ita)					.090
V48		*(UK)				*(0)	.080
V49							.029
V51							.029
V52	*	*(UK)				*(1)	.092
V53							.045
V54	*						.037
V55							.023

Codes:
  Citizen 1 UK 2 Ita
  Cotype 1 Global (Unilever UK and Unilever Italy) 2 Polycentric (Electrolux and Zanussi)
  Level   1 senior m 2 middle m 3 junior m Mastat 1 married 2 No
  Education 1 University 0 No university Ageband (18 to 30)=1 (31 to 40)=2 (41 to 50)=3 (51 to 70)=4
  R2   Multiple R Square

Table 3

150

ANOVA

by National Company (UK)

VALUES

	Nat.Company	Sex	Level	Mastat	Educ	Agebd	R²
V15							.082
V16							.085
V17						*	.092
V19						*	.125
V20							.067
V21							.122
V22							.069
V23							.039
V24					*		.140
V26							.113
V27		*				*	.097
V28		*			*		.087
V30							.072
V31		*		*	*		.149

PERCEPTIONS

	Nat.Company	Sex	Level	Mastat	Educ	Agebd	R²
V40						*	.055
V41							.042
V42		*	*				.129
V43							.066
V45							.035
V46		*	*				.275
V47							.065
V48			*				.064
V49							.049
V51							.035
V52		*					.144
V53		*	*	*	*		.223
V54							.059
V55							.052

Codes:
    Citizen 1 UK 2 Ita
    National Company UK Unilever UK and Electrolux
    Level 1 senior m 2 middle m 3 junior m Mastat 1 married 2 No
    Education 1 University 0 No university Ageband (18 to 30)=1 (31 to 40)=2 (41 to 50)=3
    (51 to 70)=4
    R2 Multiple R Square

Table 4

ANOVA

by National Company (Italy)

VALUES

	Nat.Company	Sex	Level	Mastat	Educ	Agebd	R²
V15	*				*		.135
V16						*	.135
V17							.049
V19							.028
V20	*						.066
V21	*						.222
V22							.028
V23							.091
V24	*				*		.101
V26							.025
V27							.078
V28							.047
V30					*		.063
V31							.066

PERCEPTIONS

	Nat.Company	Sex	Level	Mastat	Educ	Agebd	R²
V40						*	.055
V41							.042
V42	*		*				.358
V43							.066
V45							.051
V46	*				*		.145
V47	*						.073
V48	*				*	*	.146
V49							.043
V51							.052
V52						*	.073
V53	*						.086
V54	*						.054
V55							.020

Codes:
   Citizen 1 UK 2 Ita
   National Company Italy Zanussi and Unilever Italy
   Level 1 senior m 2 middle m 3 junior m Mastat 1 married 2 No
   Education 1 University 0 No university Ageband (18 to 30)=1 (31 to 40)=2 (41 to 50)=3
   (51 to 70)=4
   R2 Multiple R Square

Table 5

152

6.2 Organizational Structure

One of the current arguments on multinational companies is whether the pervasive effect of a strong multinational corporate culture would harmonize values and practices across most foreign units or if, in fact, each unit represented and entity on its own. As far as the companies involved in this research, their structure has been described as considerably different. One, organization in the study, Unilever, has been identified as *Global* and the other, Electrolux/Zanussi, as *Polycentric*.

One of the arguments surrounding these two types of organizations is whether internal consistency of policy and practice is easier to ensure in the Polycentric enterprise or in the Global one. Some [Evans, 1989] argue that consistency of policy and practice is easier to ensure in the Polycentric enterprise. Although not clearly specificed, this argument only makes sense if consistency of policy and practice is considered at the subsidiary, and not headquarters, level of analysis. A slim corporate staff has the limited role of ensuring executive succession and the cross-fertilization of experience. Divisional staff may have a coordination role, but real power lies in the hands of subsidiary line and staff executives. It is argued that inconsistencies arise if a strong-willed vice-president is appointed with a mission to coordinate tightly policies and practices throughout the subsidiaries. The message is likely to be ignored or defeated by local subsidiary managers, entailing disruptive political infighting. In fact, the situation could be easily rectified by placing two or three top executives from the head office in each of the subsidiaries. They will act as watchdogs, making sure that messages are well received and put into practice.

As far as selection and retention policies are concerned, Evans [1989] argues that they must be complemented by socialization and management development practices to build corporate as well as national loyalty. Many recruits will leave in the first years and those who stay must be nurtured to obtain pay-off from the investments made on them. Salaries, welfare,

transfer policies must be tailored in order to develop individuals with 'firm specific' rather than labour market competencies.

At the same time, once this process is set in motion, it will develop its own set of automated mechanisms which will allow it to function effectively without overloading the everyday operations of the subsidiaries while maintaining its efficiency.

The costs and benefits of these two adaptive strategies also differ. The Global firm gains in term of corporate integration, but the price is the heavy cost of selection and retention. The Polycentric company gains in terms of lower overhead costs (relatively little time and energy devoted to HRM, salaries linked more closely to local labour market rates), but it typically looses out in corporate integration.

What emerges from this research is somewhat contrasting. In Italy, the Global company (Unilever Italy), had little difficulty in retaining its managers, in fact, it had problems in encouraging them to leave. In Polycentric Italy (Zanussi), managerial turnover, especially in the first two years, was around 35 per cent.

Managers in Unilever UK, on the other hand, were quite happy but still complained about pay and unfair promotion criteria. In Electrolux, the level of managerial satisfaction was quite high, notwithstanding the fact that a number of respondents to the questionnaire were laid off shortly after.

The questionnaire and interview data were collected over a period of six months. On the strength of this study, it was difficult to either confirm or deny the distinction between Global (Unilever) and Polycentric (Electrolux/Zanussi). The data were collected during a peculiar business cycle which was different from Italy to the UK. Issues such as managerial turnover, career satisfaction and corporate integration would be better addressed in a longitudinal study, which would look at the organisational structures more in detail.

6.3 Interview Data

Overall, the qualitative analysis confirmed the main statistical findings. Ten managers were interviewed in each unit in order to discuss the questionnaire results and explore some issues further. The major themes emerging from the Italian research are summarized as follows:

• The level of managerial satisfaction was relatively high in Electrolux and Unilever Italy, and less so in Zanussi and Unilever UK. With the exception of Zanussi, the companies were perceived as being challenging and meritocratic places to work. At Zanussi a number of managers felt that the promotion criteria were far from ideal. However, working for both Italian companies was a very prestigious occupation, and on average managers agreed that it did not represent the average Italian company. In the UK instead, managers identified their company as one of many other similar ones throughout the country.

• In all the units the relationship between superiors and subordinates was still quite important; informal mentoring and supervision were often cited. Managers in Electrolux, however, did not consider the relationship to be a paternalistic one, and seemed to enjoy it. As far as career progression was concerned, the input of the direct superior was generally perceived as being vital.

• Like most Italian companies, symbols are very important. There was a feeling that to be successful one had to be competent but also able to portray the 'right image'. UK managers, on the other hand, were much less concerned with symbols or playing up to a particular image.

• Salary and position in Italy were considered as 'mythical' issues. Managers were not

155

aware of their colleagues' salaries or how they were graded. Much speculation followed and top management seemed reluctant to divulge the information. In the UK units, there was more openness as far as salaries and titles were concerned.

• Training and development activities were described as quite good in both Unilever national units. Electrolux and Zanussi managers instead consistently complained about the lack of formalized training and development opportunities. This is the result of a poor training programme at corporate level. While Unilever stresses the importance of training at both the national unit and international level, Electrolux leaves most of the training activities in the hands of the national units, without much corporate coordination.

• The degree of freedom from Headquarters was perceived to be similar across all units. Managers from Electrolux in particular stressed their independence and freedom of action. Their colleagues at Zanussi, while praising Headquarters for lack of interfering, constantly referred to the Swedes as 'Barbarians'. This was such a recurrent theme that a top Swedish manager felt compelled to highlight the fact that the 'Barbarians' came originally from Finland, and not Sweden.

• The level of internationalization was found to be still relatively modest, with the exception of Unilever UK. A number of young managers both in the UK and Italy expressed the desire to be sent abroad for a working experience with the company. It was not clear, though, whether the foreign posting was sought after for its inner value or simply because it enhanced career progress. The major difference was that in both Unilever units working abroad was encouraged and almost expected. In Electrolux UK and Zanussi it was, instead, discouraged.

<u>Observations</u>

When compared to previous evidence, in particular to the culturalist thesis of the last few years, the results of this research outline a number of comments. These comments are not meant to invalidate or discard previous evidence, but to state that there are many facets to international management research and that generalizations are quite difficult to make.

• Since Laurent's research, the gap between UK and Italian managers has narrowed considerably. These results may not represent an ideal average sample, but nevertheless highlight some new important factors.

• Each unit displayed characteristics of its own, which were difficult to classify at a national level (Unilever UK + Zanussi / Electrolux + Unilever Italy)

• When the results were analyzed at the sub-unit (departmental) level of analysis, each sub unit provided different results.

• The theoretical classification of organizations between Global and Polycentric is difficult to sustain in this research. The two units comprising the *Global* organization , Unilever UK and Unilever Italy did not display an array of similar characteristics which would identify them as part of a *Global* organization. The same could be said as far as the two *Polycentric* units, Zanussi and Electrolux, are concerned. Organizational structure, at least on international lines, seems to bear little resemblance in this research's answers.

At the same time, the results did not confirm the 'culture-specific' argument. Intra-nation differences were as significant as inter-national ones. Managers from Electrolux and Unilever UK shared a number of similarities but also displayed some important differences. In Italy, managers from Zanussi and Unilever UK, although both being Northern-based, foreign-owned companies, were less similar in their answers as otherwise expected from the 'culture specific' theories.

CONCLUSIONS

Cross-cultural studies, by putting too much emphasis ont the cultural variable, have become vulnerable to the same criticisms as those leveled at the classical or "principles" schools of management. Years ago some researchers cautioned against "black box" management studies. Proponents of cultural explanations make this very mistake in their analysis. Only in their case, instead of the "black box" being labeled "management", it is called "culture"- a concept which is often made to stand for many unspecified influences. In the "culturalist " view, for example, cultural differences are often posited as a major difficulty encountered in managing employees from other countries. This research has suggested, however, that the problem could just as often result from automatic, stereotyped assumptions of differences on the part of individuals or management in their organizations. The role of company affiliation has proved to be a very important factor to explain identified managerial differences. Only the Zanussi managers in fact display some characteristics at the perceptions of practice level which resemble the classic Italian managerial profile. The use of a questionnaire with the distinction between values and perceptions of practice and the analysis of the data at the national, as well as at the organizational level of analysis, has also contributed to cast a shadow over the culturalist thesis. Some, like Pugh argue that mangerial behaviour is a function of such contextual variables as size, technology, and organizational climate; and that organizational effectiveness is a function of the task as well as of the societal environment. It is clear that, before drawing any conclusions on national managerial profiles, it is necessary to control for company affiliation. The ideal research sample must be made up of a cross section of national managers from small, as well as big firms; private and public; foreign and nationally owned; producing non durable and durable consumers goods, and so on. Since it is almost impossible to obtain such a heterogeneous research sample, another of the research conclusions is that national managerial profiles cannot be identified with a standard, traditional research approach. The Italian managerial profile described in the literature therefore must be questioned. This

argument is a challenge to Human resource managers in the companies involved in this study. Managers in one of the companies argued that one of their problems is how to generate an understanding and appreciation of cultural differences. In order to tackle interculturalism, senior managers were put through a training programme a major component of which was an explanation of the Hofstede model for understanding the cultures of different nationalities. A diagnosis of the training need had been rigorously conducted and it was generally agreed that understanding of cultural differences was a significant need driven by the business strategy. Accordingly, looking at the national characteristics emerged from the research, it was possible to understand which nationalities got on with which and why, and it also helped highlight problems.

Today it is accepted that one of the major problems facing multinational corporations is the need to tailor management practices and styles to the business conditions and cultural milieus of those countries in which they employ nationals. Inability or unwillingness to do so is frequently cited as a primary cause of business difficulties internationally.

Successful approaches to the problem depend, of course, on access to reliable information about these nations. In addition to what can be observed and easily identified, concerned companies must inquire into what lies behind the observable: the norms, values, perceptions of the managers they employ.

Scholarly and trade publications are replete with characterizations of different nationalities, and there are today numerous experts on culture. As a result, we have been told that Frenchmen are very individualistic, Italians very status oriented, Englishmen in favour of delegation, Americans driven by money, Japanese always seeking consensus, and so on. These observations are both generalizations based on subjective, impressionistic experience as well as conclusions derived from statistical analysis. The quantitative evidence is often interpreted through the lenses of those *a priori*, impressionistic and subjective experiences.

What emerges from this research is that the environment in which managers operate is a variable which must be looked at closely. The relationship between the individual and the environment has been studied by many. Schein [1956] looked at the process of organizational socialization. Before, Margaret Mead's study in the early 40s of pubescent girls in Samoa convinced her that these 'primitive peoples' had a lesson for modern American youth. It was not innate physiological changes that made adolescents "difficult", rather it was the civilization in which they grew up. Margaret Mead had been a student of America's most influential anthropologist, Franz Boas, who had spearheaded the opposition to the school of eugenics associated with Francis Galton, and insisted on the primacy of culture as an explanation for "national characteristics". As Mead herself explained, anthropological studies have shown that it isn't race but the way in which people are brought up that makes them behave the way they do.

"Usually foreigners are described as being rather like ourselves but having a few funny customs, wearing different clothes, using odd expressions, eating some strange foods ... " [1943, p.1] But, faithful to her training, Mead explained the weakness in this approach. It was the society in which they were raised that conditioned young people's social responses This early, very important study on the role of society and culture on the individual seems to have influenced the 'cultural contingency' theory originated in the early 70s. However, these later management studies on the role of culture did not use culture as the starting point or the unit of analysis, but rather as an after-thought, all-embracing explanation of quantitative results. In other words, they have failed to conceptualize and broaden the concept of culture. Instead of looking at the principal components which made up, for example, French and German culture, it was *assumed* that these cultures were different, and that if managers ' scores on a number of items differed, then the rational behind it had to be that different cultures are reflected in managers' responses. Developing Mead's argument, one can identify the societal as well as the organizational culture. The university graduate is heavily influenced by the former, the experienced manager by the latter. Yet researchers have limited themselves to the study of

national managerial profiles which collapse the societal and organizational cultures under the label of a vague "national culture". From an intuitive point of view the identified national managerial differences made sense and were readily accepted. Throughout the field research for this project, it emerged that both in the UK and Italy top managers and respondents' views alike were encroached in their own 'culture specific' background. Hofstede's work was considered the standard guide to most management development courses. Few, if any, bothered with his methodology, sample characteristics and time of research. Since his conclusions 'made sense' they were taken at face value, without much questioning. For example, personnel managers in Italy, especially at Unilever, were very sceptic about the Anglo-Saxon, quantitative approach to the evaluation of management development. They regarded the whole personnel issue as very distant from any mechanistic process and instead were highly focused on feelings, symbols and so on, and this was a popular trend among Italian academics and managers alike. Those who were later exposed to the UK system of evaluation started to see its value; their views started to change and learned to respect this different approach. Similarly, UK managers, especially from Electrolux, were constantly surprised by the level of expertise and efficiency they experienced every time they visited the usually very modern corresponding Italian units. The unspoken assumption was that what they expected in Italy were chaotic management relations taking place in a backward environment. Managers both from the UK and Italy, when confronted with a different reality experienced a loss of confidence in their own stereotypes.

Managers as well as researchers are human beings, and thus not completely immune to stereotyped thinking about other nations and people. Stereotypes simplify the world and simplify one's job. They provide automatic and simple explanations for complex problems. If, for example, there is difficulty in one Latin European country, the ready response might be, "Well, you know those Latins." One should consider, for example, how World War II affected views of Germans, Japanese and Russians and how postwar and recent events

succeeded remarkably in altering these concepts.

Cavalli Sforza in his latest research findings [1994], synthesizing 50 years of research on population genetics, found such a wide range of genetic variations in both African and non-African groups that it makes the notion of race meaningless. There are some superficial traits like skin colour and body build, they are striking, and we notice them.

That is what misleads us. It makes us think that races and people are very different. They are not, when we look under the skin. The term race may nevertheless have valid social meaning even if it isn't biologically based. Most people would find life confusing if they couldn't identify somehow with a group. Race, as well as culture, are such important parts of how we think about and navigate our lives, that they have acquired a potent and lasting meaning in our society.

This research elicited opinions on work-related values and perceptions of practices on items such as superior/subordinate relationships, career progression and decision-making. The results indicated that 'those Latins' (at least those Italians studied) may not be so different in their aspirations as 'those British'. However, if people *want* to see a particular group in a certain way, that is the way they will see it. They seem to confirm their preconceptions and tend to ignore contradictory evidence (perhaps even the evidence from this study).

In this respect, it would be interesting to determine how much of the difficulty experienced in managing employees in other countries is due not to cultural differences at all but, rather, to the automatic and psychologically self-serving assumption of differences that, in reality, may be minor or even nonexistent.

This research reinforces the need to put assumptions about people to the empirical test. Organizational policies cannot be more effective than the validity of the assumptions on which they are based. This need to test assumptions is particularly important in international organizations where accurate information is so difficult to obtain and accurate judgements are

so heavily influenced by the preconceptions different nationalities have about each other.

The considerable similarities, or lack of stable differences found in the goals (work-related values and perceptions of practice) of employees in Italy and in the UK is also of importance. This finding has an important policy implication: since the goals of employees are not significantly different internationally, corporate policy decisions, *to the extent that they are based on assumptions about employees goals*, can also be international in scope.

It is not only Englishmen who want money, or Italians who want more autonomy or value status symbols, or Germans who want their work skills utilized and improved. A management whose policies and practices reflect these stereotypes (for example, providing few advancement opportunities in some countries or using certain countries as dumping grounds for routine, unchallenging work) should be prepared to suffer the consequences of managing a frustrated and uncommitted workforce whose apathy and anxieties it helped nurture.

Implications for management

Organization theory has always stressed that power, authority, influence, and leadership are complex psychological concepts that cannot be understood without analyzing the relationship between superior and subordinate. However, it is argued that competitive pressures will force in the long run more and more layers of management into roles other than the traditional supervisory ones. Layers of management will either disappear altogether, or else smaller numbers of managers will do different tasks at "headquarters."

Hirshohron observes that 'informated"operators in the new, networked organizations are subjected to new kinds and levels of anxiety, for the following reasons:

• they have much higher levels of responsibility;

• they work in organizations such as nuclear plants, automated refineries, or chemical plants that often have much greater danger associated in them: and

• the boundaries of their roles are much more ambiguous and fluid.

Under the old system, line supervisors provided support when crises arose. The hierarchy functioned not only as coordination mechanism, but also as a psychological defense against anxiety. In this capacity, it served workers and managers alike, which may account for the difficulty of imagining work systems without hierarchy.

If such managerial roles disappear, the informated worker must find other sources of support or develop other psychological defences against anxiety. Such defences, as Hirschhorn shows, may paradoxically undermine the very efficiencies the technology is designed to create. The worker will routinize and bureaucratize the job, undermining the flexibility designed into the system.

Tom Malone speculates that future organizations may well be networks in which hierarchy either disappears altogether or plays a far less important role than other forms of coordination and integration. Perhaps the organization of the future will be more like a giant, complex seesaw in which everyone must contribute to effective coordination; management as it exists today will be either invisible or nonexistent, according to this theory.

Schein argues that we are on the brink of an organizational revolution that will not simply cut out layers of management or reduce costs or force greater levels of worker participation. What may happen is that management as a traditionally conceived, hierarchical function will disappear altogether, to be replaced with concepts that we have not yet developed. Nonetheless, he argues that we have great difficulty even imagining, much less designing, non hierarchical or even less hierarchical systems.

The evidence from this research outlines how some of these changes may be already under way. The hierarchical relationship typical of many large European organizations is perceived by the managers themselves as less pervasive than it used to be. Managers from both the UK and Italy identify the relationship between superior and subordinate as based on mutual trust rather than on recognition and respect of power. This change is more significant in Italy, where strict

hierarchical relationships were considered to be the norm in most organizations. If, as Schein argues, we are on the brink of an organizational revolution, the evidence gathered from this relatively small sample indicates that managers, as human beings, are prepared for this change. In fact, some of them may be the instigators of this revolution. Managerial aspirations seem to point in the same direction. UK and Italian managers want more freedom, consultation, responsibility and clear career paths. In some cases, such as Zanussi, their thinking is more advanced that the organization itself. If an organizational revolution is about to come, the managers from this study seem to be ready for it.

Italian management

This study has documented that the stereotypical image of Italian managers, at least in the companies analyzed, does not exist. A micro analysis of values and perceptions of practice found some of these Italian managerial characteristics at the perceptions of practice level of Zanussi managers. These results confirm the need to look at the organizational structure as one of the main contributions to the previously identified "Italian management profile". Belonging to one organization or the other, as far as the Italian organizations were involved, seemed to be quite relevant. The research hypothesis that the Italian managerial profile does not contain items such as autocracy, clientelism and paternalism has also been confirmed.

I has been recognized that Italian managers have now acquired a sound modern approach to business management. Italian industry has often succeeded more on a foundation of informal rather than formal education and training. Today the ability to upgrade existing industries will require a stronger and better trained human resource foundation, and industries themselves will have to share the burden of education alongside the government. The introduction of better trained managers, modern information technology and better control will allow Italian companies to remain competitive. The lack of a formal management structure has often prevented large Italian companies from growing organically. When these same companies have strained from their core businesses, they have faced severe difficulties. Yet they have, so

far, operated primarily in a sheltered environment, protected by import quotas and an interventionist government. They have now to make a second leap forward and internationalize themselves, work and live abroad, soak up the experiences and return to their companies with new ideas and perspectives. Hopefully, this research has shown that there are no clear cultural barriers to their own development. What they perceive of UK managers and industry in particular is only a confirmation of world views and stereotypes which have little place in any successful business. One manager described this factor as 'the fear of the unknown'. This research highlights that the unknown is nothing to fear of. Managers, whether from the UK or Italy, share a similar set of values or goals; the organizations they work for may alter their perceptions of practice on some issues, but managers are now expected to go beyond these superficial stereotypes and learn to deal with different national managers on an equal level. This research has demonstrated that it is very difficult to distinguish national managerial characteristics. When the typology and the level of analysis are studied in detail, it appears that it is very difficult to conceptualize national managerial characteristics. This in turn, would indicate that managers can go beyond national stereotypes and turn this new understanding to their own advantage.

APPENDIX

<u>LAURENT QUESTIONS</u>

<u>Organizations as Political Systems</u>

				This Data			
		UK	Italy	Uniluk	Elux	Zan	Unilit
1. Through their professional activity, managers play an important political role in society.	agree	41%	67%	48%	36%	63%	71%
8. Most managers seem to be more motivated by obtaining power than by achieving objectives.	agree	33%	47%	42%	26%	41%	51%
2. Most managers have a clear notion of what we call organizational structure.	disagree	18%	22%	25%	12%	22%	22%
average agreement/ disagreement		30 %	45 %				

Table 1

<u>Organizations as Authority Systems</u>

				This Data			
		UK	Italy	Uniluk	Elux	Zan	Unilit
6. The main reason for having a hierarchical structure is so that everyone knows who has authority over whom.	agree	34%	34%	35%	34%	34%	35%
12. Today there seems to be an authority crisis in organizations.	agree	18%	29%	14%	23%	31%	23%
3. The manager of tomorrow will be, in the main, a negotiator.	agree	61%	61%	67%	56%	57%	63%
average agreement/ disagreement		38 %	41 %				

Organizations as Role Formalization System

	UK	Italy	Uniluk	Elux	Zan	Unilit
11. When the respective roles of the members of a department become complex, detailed job descriptions are a useful way of clarifying. agree	56%	72%	58%	55%	80%	66%
7. The more complex a department's activities, the more important it is for each individual's functions to be well-defined. agree	83%	58%	76%	89%	71%	46%
13. Most managers would achieve better results if their roles were less precisely defined. disagree	61%	49%	59%	64%	59%	40%
average agreement/ disagreement	66%	57%				

Table 3

Organizations as Hierarchical Relationship System

		This Data					
		UK	Italy	Uniluk	Elux	Zan	Unilit
10. Most organizations would be better off if conflict could be eliminated forever.	agree	33%	60%	14%	49%	66%	55%
5. It is important for a manager to have at hand precise answers to most of the questions that subordinates may raise about their work.	agree	52%	77%	40%	63%	76%	77%
9. In order to get efficient work relationships, it is often necessary to bypass the hierarchical line.	disagree	20%	27%	17%	25%	30%	24%
4. An organizational structure in which certain subordinates have two direct bosses should be avoided at all costs.	agree	76%	59%	68%	85%	70%	48%
average agreement/ disagreement		45%	55%				

168

Hofstede's Test

A) The descriptions below apply to four different types of managers. First, please read through these descriptions:

Manager I
Usually makes his/her decisions promptly and communicates them to his/her subordinates clearly and firmly. Expects them to carry out the decisions loyally and without raising difficulties.

Manager II
Usually makes his/her decisions promptly, but, before going ahead, tries to explain them fully to his/her subordinates. Gives them the reasons for the decisions and answers whatever questions they may have.

Manager III
Usually consults with his/her subordinates before he/she reaches his/her decisions. Listens to their advice, considers it, and then announces his/her decisions. He/she then expects all to work loyally to implement it whether or not it is in accordance with the advice they gave.

Manager IV
Usually calls a meeting of his/her subordinates when there is an important decision to be made. Puts the problem before the group and then invites discussion. Accepts the majority viewpoint as the decision.

	T.Sample	UK	Italy	UnilUK	Elux	Zan	UnilIT
34. Now, for the above types of manager, please circle the one which you would prefer to work under	2.9	2.9	2.9	3.0	2.9	3.0	2.9
35. And to which one of the above four types of managers would you say your own superior most closely corresponds?	2.6	2.6	2.6	2.4	2.8	2.5	2.7
36. To which type do managers usually correspond in your company?	2.4	2.2	2.6	2.1	2.5*	2.5	2.4*
37. To which type do you think you correspond?	2.8	2.8	2.8	2.8	2.7	2.7	2.8

169

<u>Schein's Test</u>

<u>HOW IMPORTANT DECISIONS SHOULD BE TAKEN IN YOUR ORGANIZATION (select 3 ITEMS)</u>

	Uniluk	Elux	Zan	Unilit
It has always been done this way	2%	9%	1%	0%
This is the right way to do it.	61%	72%	37%	49%
Our managing director wants to do it this way	18%	20%	1%	7%
We take this kind of decision to the marketing committee and do what they decide	13%	13%	37%	18%
We thrashed it out in three different committees,tested it on the sales force, and if they think the idea is still sound, so we will do it.	36%	40%	77%	64%
Let's try and see	52%	25%	20%	24%
Our research shows that this is the way to do it	84%	87%	86%	81%
Other	22%	20%	9%	13%

HOW IMPORTANT DECISIONS ARE TAKEN IN YOUR ORGANIZATION (select 3 ITEMS)

	Uniluk	Elux	Zan	Unilit
It has always been done this way	61%	39%	43%	37%
This is the right way to do it.	39%	55%	48%	35%
Our managing director wants to do it this way	63%	62%	59%	51%
We take this kind of decision to the marketing committee and do what they decide	31%	14%	24%	21%
We thrashed it out in three different committees,tested it on the sales force, and if they think the idea is still sound, so we will do it.	24%	18%	20%	34%
Let's try and see	22%	53%	36%	16%
Our research shows that this is the way to do it	41%	32%	35%	65%
Other	9%	16%	9%	3%

SHOULD DETERMINE CAREER SUCCESS (select 3 items)

	Uniluk	Elux	Zanussi	Unilit
1.Power of Analysis	40%	23%	60%	55%
2.Political Analysis	2%	0%	13%	7%
3.Connections	0%	0%	2%	2%
4.Loyalty	0%	9%	4%	1%
5.Deference	0%	0%	0%	0%
6.Imagination	25%	23%	14%	20%
7.Business sense	66%	63%	9%	12%
8.Delegation	10%	7%	32%	29%
9.Personality	12%	10%	14%	34%
10.Sense of Reality	8%	23%	16%	13%
11.Achievements	72%	69%	76%	67%
12.Communications	53%	47%	40%	44%
13.Courage	0%	7%	8%	6%
14.Other	10%	12%	9%	3%

DETERMINES CAREER SUCCESS (select 3 items)

	Uniluk	Elux	Zanussi	Unilit
1.Power of Analysis	14%	17%	30%	39%
2.Political Analysis	21%	7%	30%	34%
3.Connections	42%	15%	30%	10%
4.Loyalty	14%	24%	16%	13%
5.Deference	8%	5%	9%	6%
6.Imagination	4%	7%	8%	6%
7.Business sense	29%	37%	13%	10%
8.Delegation	8%	3%	13%	16%
9.Personality	12%	10%	14%	34%
10.Sense of Reality	2%	13%	13%	8%
11.Achievements	61%	83%	70%	55%
12.Communications	36%	22%	30%	31%
13.Courage	0%	1%	5%	3%
14.Other	8%	11%	6%	5%

Career Progression

60.How satisfied are you with your career progress to date in your company?

	UK	Italy	UnilUK	Elux	Zanussi	UnilIT
5.Very satisfied	11%	8%	14%	9%	9%	7%
4.Satisfied	65%	54%	66%	65%	55%	53%
3.Undecided	11%	17%	12%	10%	13%	20%
2.Dissatisfied	10%	17%	6%	14%	18%	15%
1.Very dissatisfied	0%	2%	0%	0%	2%	2%

61.How would you rate your career progression to date in your company compared with other people you know who joined at the same time as you?

	UK	Italy	UnilUK	Elux	Zanussi	UnilIT
5.Much better	13%	9%	6%	18%	8%	10%
4.Somewhat better	47%	29%	55%	39%	41%	17%
3.About the Same	33%	50%	27%	37%	41%	58%
2.Somewhat worse	7%	11%	10%	3%	8%	13%
1.Much worse	0%	0%				

63.Are there any factors which you can think have hindered your career progression in your company?

	UK	Italy	UnilUK	Elux	Zanussi	UnilIT
YES	52%	46%	61%	44%	45%	48%
NO	47%	53%	38%	55%	54%	51%

	T.Sample	UK [0]	Italy [1]	Uniluk (1)	Elux (2)	Zan (3)	Unilit (4)	Bocconi (5)	Ashridge (6)	
V14	3.25	3.21	3.28	3.21	3.35	3.08	3.51 Z,A	3.23	3.02	V14
V15	1.79	1.60	1.92*	1.46	1.69	1.78 K	1.84 K	2.16 all 5	1.63	V15
V16	3.06	2.91	3.16*	3.08	2.94	3.13 A	3.16 A	3.19 A	2.68	V16
V17	3.47	3.06	3.75*	3.12	3.12	3.73 K,E,A	3.88 K,E,A	3.62 K,E,A	2.90	V17
V18	2.55	2.69*	2.45	3.00 I,E,B	2.44	2.72 I,B	2.35	2.28	2.68	V18
V19	3.68	3.60	3.73	3.63	3.76 A	3.72	3.63	3.86 A	3.34	V19
V20	3.51	3.61	3.44	3.51	3.69 Z	3.23	3.57 Z	3.50	3.60	V20
V21	2.94	2.87	2.99	2.51	3.07 K ,I	3.01 K,I	2.46	3.59 all 5	3.02 K,I	V21
V22	1.60	1.74*	1.51	1.95 E,Z,I,B	1.60	1.47	1.51	1.55	1.68	V22
V23	1.87	2.26*	1.61	2.25 Z,I,B	2.25 Z,I,B	1.57	1.72	1.51	2.29 Z,I,B	V23
V24	2.29	2.13	2.40*	1.89	2.20 K	2.26*K	2.21*K	2.77 K,E,Z,I	2.34 K	V24
V25	1.85	1.81	1.88	1.63	1.94	1.82	1.81	2.02 K	1.82	V25
V26	1.88	2.00	1.80	1.70	2.28 K ,I,Z,B	1.82	1.84	1.74	1.95	V26
V27	3.54	3.13	3.81*	3.12	3.32 A	3.68 K,E,A	3.79 K,E,A	3.96 K,E,Z,A	2,90	V27
V28	2.36	2.21	2.45*	2.21	2.39 A	2.46 A	2.30	2.62 K,A	1.97	V28
V29	2.69	2.81	2.60	2.78	2.62	2.44	2.77*Z	2.59	3.12 E,Z,B	V29
V30	2.67	2.41	2.83*	2.42	2.48	2.76 A	2.82K,E,A	2.94 K,E,A	2.31	V30
V31	2.00	1.77	2.15*	1.76	1.89	2.12 K,A	2.00 A	2.37 K,E,I,A	1.63	V31

Codes: K=Uniluk(Unilever Uk)   E=Elux(Electrolux)   Z=Zan(Zanussi)   I=Unilit(Unilever Italy)   B=Bocconi   A=Ashridge

175

values T.Sample		UK [0]	Italy [1]	Uniluk (1)	Elux (2)	Zan (3)	Unilit (4)	Bocconi (5)	Ashridge (6)	
V71	2.94	2.93	2.94	3.00	2.90	3.01	2.94	2.86	2.90	V71
V72	2.65	2.61	2.67	2.42	2.89	2.53	2.72	2.79	2.45	V72
V73	2.49	2.29	2.61*	2.14	2.50	2.54	2.40	2.95 K,I,A	2.19	V73
V74	2.83	2.82	2.84	2.87	2.79	2.89	2.89	2.73	2.80	V74

Codes: K=Uniluk(Unilever Uk)   E=Elux(Electrolux)   Z=Zan(Zanussi)   I=Unilit(Unilever Italy)   B=Bocconi   A=Ashridge

PERCEPTIONS

	All Sample	UK	Italy	UniluK	Elux	Zanussi	Unilit	Bocconi	Ashridge	
V75	2.96	3.18*	2.82	3.12 I,Z	3.09 I,B	3.16 I,B	2.60	2.71	3.39 I,B	V75
V76	3.02	2.83	3.11*	2.74	2.83	3.33 K,E,A	3.05	3.19 K,E	2.92	V76
V77	3.60	3.38	3.66*	3.27	3.47	3.78 K ,E,A	3.67 K	3.50	3.37	V77
V78	4.07	3.84	4.11*	4.10 A,E	3.70	4.29 E,A	4.07 E,A	4.23 E,A	3.73	V78
V79	3.20	3.29*	3.00	3.55 E,I,B	3.12 B	3.33 I,B	2.93	2.71	3.21B	V79
V80	2.46	2.26	2.56*	2.27	2.21	2.49	2.72K,E,A	2.46	2.31	V80
V81	2.64	2.61	2.68	2.61	2.37	2.78 E	2.74 E	2.49	2.92 E	V81
V82	2.85	2.90	2.91	2.85	2.92	2.97	2.70	3.09 I	2.95	V82
V83	3.22	3.38*	3.03	3.89 all 5	2.89	3.40 E,I,B	2.91	2.76	3.47 E,I,B	V83
V84	2.30	2.18	2.50*	2.06	2.21	2.32 K	2.50 E,K	2.70 K,E,Z,A	2.26	V84
V85	3.23	3.35*	3.03	3.42 I,B	3.25 B	3.36 I,B	3.00	2.69	3.41 B	V85
V86	2.76	2.72	2.90	2.68	2.58	2.94 E	2.82	2.96 E	2.95	V86
V87	2.33	2.00	2.50*	1.95	1.90	2.76 all5	2.43 K,E	2.31 K,E	2.17	V87

	All Sample	UK	Italy	UniluK	Elux	Zanussi	Unilit	Bocconi	Ashridge	
V88	3.22	3.27	3.20	3.13	3.25	3.42 I,B	3.07	3.10	3.46 I	V88
V89	2.48	2.76*	2.45	2.78 Z,I	2.49	2.42	2.34	2.60	3.09E,Z,I,B	V89
V90	3.82	3.79	3.74	3.97 E,B	3.54	3.84 E,B	3.89 E,B	3.46	3.92 E,B	V90
V91	2.39	2.30	2.47	2.27	2.47	2.56 A	2.27	2.60 A	2.12	V91
V92	3.09	3.18	3.06	3.31	3.09	3.00	3.06	3.14	3.14	V92
V93	3.06	3.19	2.95	3.29 B	3.00	3.06	2.98	2.78	3.34 B	V93
V94	2.95	3.26*	2.89	3.19 I	3.20 I	3.16 I	2.44	3.15*I	3.42 I	V94
V95	2.89	2.62	2.99*	2.59	2.63	3.32 all5	2.81	2.84	2.65	V95
V113	3.60	3.74	3.59	3.89Z,I	3.69	3.50	3.45	3.86Z,I	3.65	V113
V114	3.48	3.80*	3.45	3.57 I	3.73 I	3.50	3.25	365 I,B	4.17	V114

Codes: K=Uniluk(Unilever Uk)   E=Elux(Electrolux)   Z=Zan(Zanussi)   I=Unilit(Unilever Italy)   B=Bocconi   A=Ashridge

178

COMPANY	SEX M	F	LEVEL 1	2	3	MASTAT M	S	TENURE	SUBJECT 1	2	3	4	5
1.UNIUK	86.7	13.3	4.4	80	15.6	60	35.6	8 years	4.8	45.2	16.7	4.8	28.6
Age 30.0	39	6	3	37	7	29	18		2	19	7	2	12
2.ELUX	83.6	16.4	40	47.3	12.7	87.3	9.1		9.1	6.8	54.5	6.8	22.7
Age 39.6	46	9	22	26	7	48	7	10 years	4	3	24	3	10
3.ZANUSSI	94.4	5.6	59.7	16.7	23.6	84.5	15.5		16.1		61.3		22.6
Age 43.2	68	4	43	12	17	60	11	15 years	5		19		7
4.UNILIT	82.9	17.1	25.4	39.4	35.2	58.2	41.8	10 years	8.5	16.9	8.5	10.2	55.9
Age 35.3	58168	12	18	30	26	40	30		5	10	5	6	33
5.BOCCONI	92.2	7.8	62.7	26.9	7.5	77.6	14.9	11 years	4.5	6.0	10.4	6.0	22.4
Age 42.3	59	3	42	18	5	52	10		3	4	7	4	15
6.ASHRIDGE	82.9	17.1	58.5	39	2.4	85.4	14.6	9 years	2.4	9.8	31.7	19.5	9.8
Age 40.0	34	7	24	16	1	35	6		1	4	13	8	4
TOTAL	87.5	12.5	42.9	39.3	17.8	23.7	76.3	11 years	5.5	11	21.1	6.3	22.7
Age 38.8	30	44	152	139	63	82	264		20	40	77	23	83

Tenure= years with the company

Subject=1arts, 2 nat.science,3 engineering,4 social science, 5 business

BIBLIOGRAPHY

Adams, T.E.M. and Kobayasi, n. *The World of Japanese Business*. Tokyo: Kodnosha International, 1969.

Adler, N.J., A Typology of Management Studies Involving Culture. *Journal of International Business Studies*, (1983) 29-47.

Adler, N.J. Cross-Cultural Management Research: The Ostrich and the Trend. *Academy of Management Review*, (1989) 8: 226-232.

Ajiferuke, Musbau, and Boddewyn J. Culture and Other Explanatory Variables in Comparative Management Studies. *Academy of Management Journal*, (1970) 153-163

Argyris, C. and Schon, D. *Theory in Practice*, San Francisco, Jossey-Bass, 1974.

------------------------------, *Organizational Learning*. Reading, Mass: Addison-Wesley, 1978.

Badawy, M.K. Managerial attitudes and need orientations of Mid-Eastern executives: An empirical cross-cultural analysis. Proceedings of the Thirty-ninth Annual Meeting of the Academy of Management, Atlanta, GA, August 1979.

Barham K. and Oates, D. *The International Manager*. London: The Economist Books, 1990.

Bartlett, C.A. and Goshal, A. *Managing Across Borders*. London: Hutchinson Books, 1989.

Bass, B. and Elridge, L. Accelerated Managers' Objectives in Twelve Countries. *Industrial Relations*, (1973) 12:158-171.

Becker, G.S. *Human Capital*. Chigago:Chigago University Press, 1975.

Beer M., Eisentat R. and Spector, B. *The Critical Path to Corporate Renewal*. Cambridge, Mass: Harvard Business School Press, 1990.

Bennis, W.G. *Changing Organizations: Essays on the Development and Evolution of Human Organizations*. New York: McGraw-Hill, 1966.

Berry, J.W. Research in multicultural societies: Implications of cross cultural methods. *Journal of Cross Cultural Psychology* (1982) 10(4):415-434.

Bhagat, R. and McQuaid, S.J. The Role of Subjective Culture in Organizations: a Review and Directions for Future Research. *Journal of Applied Psychology Monograph*, (1967) 67: 653-685.

Blau, P.M., and R.A. Schoenherr, *The Structure of organizations*. New Yourk, Basic Books, 1971

Blalock, H.M *Social Statistics*, 2nd ed., New York: McGraw-Hill, 1972.

Boss, W, and Mariono, M. Organization Development in Italy. *Group & Organization Studies*, (1987) vol 12 no 3:245-256.

Brossard, M. and Maurice M. Is there a Universal Model of Organization Structure? in M. D. Dunnette (ed.) *International Studies of Management and Organization*, (1976) p.11-45

Cavalli Sforza L., Menozzi P. and Piazza A., *The History and Geography of Human Genes*. Princeton, Princeton University Press, 1994

Carroll, G.R. and Delacroix J. Organizational mortality in the newspaper industries of Argentina and Ireland: and ecological approach *Administrative Science Quarterly*, (1982), 27, 169-198.

Cheng, J.C.L. Toward a contextual approach to cross-national research: a macro-perspective. in *Advances in International Comparative Management* London: Jay Press, 1989.

Child, J., *British Management Thought*. London: George Allen and Urwin, 1969.

----------, Culture, Contingency and Capitalism in the Cross-National Study of Organisations. *Research in Organisational Behaviour*, (1981) 3: 303-356

Child, J. and A. Kieser, Organization and Managerial Roles in British and West-German Ccompanies: an Examination of the Culture-Free Thesis. In C.J. Lammers and D. J. Hickson (eds.) *Organizations Alike and Unlike*. London; Routledge and Kegan Paul, ch. 13, 1979.

Cummings, L. L., and Schmidt Stuart M. Managerial attitudes of Greeks: The Roles of Culture and Industrialization. *Administrative Science Quarterly*, (1972) 17:265-272.

Derossi, F. Profilo del Dirigente nella Grande Industria in Italia. *Studi Organizzativi*, (1973) 2:89-152

------------, La Crisi del Ruolo Direttivo. *Studi Organizzativi*, (1974), VI(2).

Derr C.B. and Laurent, A. The internal and external career: a theoretical and cross-cultural perspective in *Handbook of Career Theory* by M. Arthur, D.T. Hall and B.S. Lawrence: Cambridge University Press, 1989.

Di Maggio P.J. and W. Powell, 'The iron cage revisited: institutional isomorphism and collective rationality in organizational fields.' *American Sociological Review* 48: 147-160

Dore, R. *British Factory - Japanese Factory*. London; Allen and Unwin, 1973.

Dorfmann, P.W. and Howell, J.P. *Management Practices and Personnel Policies of the Maquiladoras - a Cooperative Manufacturing Effort Between the U.S. and Mexico*. The Centre for Business Services, New Mexico Stae University, May 1983.

Doz, Y.L., "Strategic Management in Multinational Companies," *Sloan Management Review*, 1980, 21(2), 27-46.

Doz, Y.L., and C.K. Prahalad, "Headquarters Influence and Strategic Control in MNCs," *Sloan Management Review*, Fall, 1981, 15-29.

Drucker, P.F. *The Practice of Management*. London; Mercury Books, 1961.

--------------, The coming of the new organization. *Harvard Business Review*, (1988) pp 45-53.

Dunning, E.G. and Hopper, E.I. Industrialization and the problem of convergence: a critical note. *Sociological Review*, (1966) 14, pp. 163-86.

Elder, J.W. Comparative cross national methodology. *Annual Review of Sociology* (1976) 2:209-230.

England, G. *The Manager and his Values: an International perspective from the U.S.A., Japan, korea. India and Australia.* Cambridge, Mass.: Ballinger Publishing Co, 1975.

England, G.W., A.R. Neghandi and B. Wilpert eds., *Organizational Functioning in a Cross-Cultural Perspective.* Kent State University Press, Kent, OH, 1979.

Enz, C.A. New directions for cross-cultural studies: linking organizational and societal cultures. in *Advances in International Comparative Management*, London, Jay Press, 1986.

Evan, W.M. Measuring the impact of culture on organizations *International Studies of Management and Organization* (1977) 7, 1, pp. 91-113.

Evans P., Doz Y, Laurent A. *Human Resource Management in International Firms.* Macmillan, London, 1989.

Evans, P. Developing Leaders and Managing Development *European Management Journal* (1992) vol 10, no 1, 1-9.

Everett, J.E., Stening, B.W. and Longton, P. Some Evidence for an International Managerial Culture. *Journal of Management Studies*, (1982) 19:153-162.

Ferrarotti, F. Italian Section, in Harbison J. and Myers, C.A. *Management in the International World: an International Analysis.* New York, McGraw Hill, 1959.

Gagliardi, P. Culture and management training: closed minds and change in managers belonging to organizational and occupational communities. in Turner (ed.) *Organizational Symbolism*, pp. 159-173, Berlin: W Degruyer, 1990.

Gallie, D., *In Search of the New Working Class: Automation and Social Integration Within the Capitalist Enterprise.* Cambridge, Cambridge University Press, 1978.

Gordon, L. V. *Survey of Personal Values - Manual.* Chicago, Science Research Associates, 1967.

-------------------- *The Measurement of Interpersonal Values.* Chicago, Science Research Associates, 1975.

-------------------- *Survey of Interpersonal Values - Revised Manual.* Chicago, Science Research Associates,1976.

Granick, D. *The European Executive.* Doubleday, New York, 1962.

Griffeth, R.W., Hom, P.W., DeNisi, A., and Kirchener, W. A multivariate, multinational comparison of managerial attitudes. Paper presented at the Fortieth Annual Meeting of the

Academy of Management, Detroit, August 1980.

Haire, M., E.E. Ghiselli and Porter L.W. *Managerial Thinking: an International Study.* Wiley, New York, 1966.

Harbison, F.H. and Burgess, E. W. Modern Management in Western Europe, *American Journal of Sociology*, (1954), 60:15-23.

Harbison J. and Myers, C.A. *Management in the International World: An International Analysis.* New York, McGraw Hill, 1959.

Hayashi, K. Corporate planning practice in Japanese multinationals *Academy of Management Journal*, (1978), 21, 211-226.

Heenan, D.A. and H.V. Perlmutter, *Multinational Organizational Development: A Social Architecture Perspective*, Reading, Mass: Addisson-Wesley, 1979.

Heller, F.A. The Decision Process: analysis of power sharing at senior organizational level, In R. Dubin (ed.)
Handbook of Work, Organization and Society. pp. 657-745 Chicago: Rand McNally,

------------- , Leadership, decision-making and contingency theory. *Industrial Relations*, (1973) 12, pp. 183-199.

Heller F.A. and Wilpert B. Managerial Decision Making: an International Comparison. In England G.W., Negandhi, A.R. and Wilpert, B. (Eds.) *Functioning Organizations in a Cross-Cultural Perspective* Kent, Ohio, Kent State U. Press, 1979.

Heller F.A. and Wilpert B. *Competence and Power in Managerial Decision Making.* Wiley International, 1981.

Henry, E.R. What business can learn from Peace Corps selection and training. *Personnel* (1965) 42(4): 36-42.

Hickson, D.J. , Hinings, C.R., McMillan. C.J.M. and Schwitter, J.P. The Culture-Free Context of Organization Structure: a Tri-national Comparison. *Sociology*, (1974) 8:59-80.

Hirschorn, L. *The Workplace Within.* Cambridge, MA: MIT Press, 1988.

Hofstede, G. Nationality and Espoused Values of Managers. *Journal of Applied Psychology*, (1976) 61:148-55.

-------------- , *Cultural Determinants of the Exercise of Power in a Hierarchy* . European Institute for Advanced Studies in Management (1977) Working Paper 77-8.

-------------- *Culture's Consequences.* Sage Publications, California, 1980.

-------------- *Cultures and Organizations.* McGraw-Hill, London, 1991.

------------- Measuring Organizational Cultures: A Qualitative and Quantitative Study Across Twenty Cases. *Administrative Science Quarterly*, (1990) 35: 286-316.

Hofstede, G. and Harris Bond, M. The Confucius connection: from cultural roots to

economic growth *Organizational Dynamics*, (1988) 3: 4-21.

IDE (Industrial Democracy in Europe), *European Industrial Relations*. Oxford: Clarendon Press, 1981.

------ , *Industrial Democracy in Europe*. Oxford: Clarendon Press, 1981.

Inzerilli, G. Social Change and Managerial Roles. *International Studies of Management and Organization*, (1983) X(4).

Inzerilli , G. and Laurent, A. managerial views of organizational structure in France and the USA. *International Studies of Management and Organization*, (1983) 8 (1/2) 97-118.

Jaeger, A.M. Organization development and national culture: Where's the fit? *Academy of Management Review* (1986) 11/1: 178-190.

Joynt, P. and Warner, M. Eds., *Managing in Different Cultures*. Universitetsforlagat, 1985.

Kanter, R.M. *The Change Masters: Corporate Entrepreneurs at Work*. London: George Allen and Urwin, 1985.

Korman A.K., Journal of Occupational Behaviour, July 1985, Volume 6, n.3, p. 243/244

Kerr, G., Dunlop, J., Harbison, F. and Myers. C. *Industrialism and Industrial Man*. New York: Oxford University Press, 2964.

Kotter J.P. and Hskett, J.L. *Corporate Culture and Performance* New York: The Free Press, 1992.

Kraut, A.I. Some recent advances in cross-national management research. *Academy of Management Journal* (1973) 12:172-182.

Kroeber, A. and Kluckhohn C. *Culture: A Critical Review of Concepts and Definitions*. Cambridge, Mass., Harvard University, 1952.

Kroeber, A. and Parsons, T. The concepts of culture and of social system. *American Sociological Review* (1958) 23:528-583.

Lammer C. and Hickson D, eds *Organizations Alike and Unalike: International and Inter-institutional Studies in the Sociology of Organizations*. London, Routledge and Kegan Paul, 1979.

Laurent, A. Matrix Organizations and Latin Cultures. *International Studies of Management and Organization*, (1983) X(4): 3-14.

-------------- The Cultural Diversity of Western Conceptions of Management, in Joynt, P. and Warner, M. eds.(1985) *Managing in Different Cultures*, op. cit.

-------------- The Cross-cultural Puzzle of International Human Resource Management. *Human Resource Management*, (1986) 25 (1) 91-102.

-------------- The Internal and External Career: a Theoretical and Cross-Cultural perspective. *Handbook of Career Theory*, by M.B. Arthur, Cambridge, 1989.

Lawrence, P.R. and Lorsch, J. *Organization and Environment.* Boston: Harvard Business School, 1967.

Levitt, T. The globalization of markets *Harvard Business Review*, (1983) n.3 92-103.

Lincoln J.R. and Kalleberg A.L. *Culture, Control and Commitment.* Cambridge University Press, 1990.

Malone, T. et al. *Electronic Markets and Electronic Hierarchies.* Communications of the ACM 30 (1987) pp 484-497.

Matsuno, S. and Stoever, W.A. Japanese boss, American employees *Wharton Magazine*, (1982) Fall 45-48.

Maurice, M, A. Sorge and Warner M. Societal Differences in Organizing Manufacturing Units: A Comparison of France, West Germany and Great Britain. *Organization Studies*, (1980) p. 59-86.

Maurice, M., F. Sellier and J-J Silvestre La Production de la Hierachie dans L'enterprise: Recherche d'un Effect Societal. Comparaison France-Allemagne. *Revue Francaise de Sociologie*, (1979) XX, p. 331-365.

Mead, M. *Report for the Office of War Information*, Washington, 1943.

Melocci, L. Insoddisfazione Culturale del Dirigente di Azienda. *Studi Organizzativi*, (1975) VI(4).
Meyer, J.W. and Rowan B. Institutionalized Organization: Formal Structure as Myth and Ceremony. *American Journal of Sociology* 1983: 340-363.

Mintzberg, H. *The Nature of Mangerial Work.* New York: Harper & Row, 1973.

Morgan, G. *Images of Organization.* Sage: London, 1986.

Nasif E.G., Al-Daeaj H., Ebrahimi B., Thobodeaux M.S., Methodological Problems in Cross-Cultural Research: an Updated Review *Managment International Review* (1991) 1 v. 31 79-91.

Nath. R. A methodological review of cross-cultural management review *International Social Science Journal*, (1968) 20, 35-62.

Negandhi, A. R. Socio-cultural variables in organizational studies: a critical appraisal *Modern Organizational Theory*

Nehrt, L. , Truitt J.F. and Wright R., *International Business Research: Past, Present and Future.* Indiana Unversity Graduate School of Business, Indiana 1970.

Moss Kanter, R., Introduction, *Harvard Business Review*, Nov. Dec. 1991, 7-8.

Ohmae, K. *The Borderless World.* London: Harper, 1990.

185

Ouchi, W.G. *Theory Z.* Reading, MA: Addison-Wesley, 1979.

Parsons, T. Suggestions for a Sociological Approach to the Theory of Organizations. *Administrative Science Quarterly*, (1956) 1:63-85.

--------- Culture and Social System Revisited. In L. Schneider and C.M. Bonejean (eds.) *The Idea of Culture in the Social Sciences.* Cambridge, Cambridge University Press, ch. II, 1973.

Pascale, R.T. and Athos, A.G. *The Art of Japanese Management: Applications for American Executives.* New York: Warner Books, 1981.

Perlmutter, H.V., "The Tortuous Evolution of the Multinational Corporation," *Columbia Journal of World Business*, January-February, 1969, 9-18.

Peters, T.J. and Waterman R. H. *In Search of Excellence.* New York: Harper & Row, 1982.

Pieper, R. (ed.) *Human Resource Management: An International Comparison.* Berlin: W. de Gruyter, 1990.

Pike, K., Etic and emic standpoints for the description of behaviour. In *Language in Relation to a Unified Theory of the Structure of Human Behaviour*, The Hague, Mouton. Reprinted in A.G. Smith ed., *Communication and Culture.* Holt Rinehart and Winston, New York 1966.

Piore M.J. and Sabel C.F. *The Second Industrial Divide* . Basic Books; New York 1984. Poortinga, Y. H. (ed.) *Basic Prolbems in Cross Cultural Psychology.* Lisse: Swets and Zeitlinger, 1977.

Porter, E.M. *The Competitive Advantage of Nations.* London: Macmillan, 1990.

Prahalad, C.K., "Strategic Choices in Diversified MNCs," *Harvard Business Review*, 1976, 54 (4), 67-78.

Prahlad C.K. and Doz, Y.L. *The Multinational Mission.* New York: The Free Press, 1987.

Redding, S.G. Some perceptions of psychological needs among managers in South East Asia. In *Basic Problems in Cross-Cultural Psychology*, Y.H. Poortinga (ed.). Amsterdam: Swets and Zeitlinger, 1977, pp. 338-343.

Reich, R. *The Work of Nations.* London, Simon & Schuster, 1991.

Rydz J.S. *Common Sense Manufacturing Management.* New York: Harper and Row, 1990.

Roberts, K.H. On Looking at an Elephant: An Evaluation of Cross-Cultural Research Related to Organizations. *Psychological Bulletin*, (1970) 74:327-350.

Roberts, K.H. and Snow, C.C. (eds.) A symposium: Cross national organizational research. *Industrial Relations* (1974) 12(2): 137-247.

Robinson, W.s. Ecological correlations and the behavior of individuals *American*

Sociological Review (1950) 15 351-357.

Robinson, R.V. A review of Culture's Consequences *Work and Occupations* (1982), vol 10, pp. 110-116 .

Rodgers, Irene, as quoted in Moss Kanter (see)

Ronen, S. *Comparative and Multinational Management.* New York: John Wiley and Sons, 1986.

Ronen, S. and Kraut, A.I. Similarities among countries based on employee work values and attitudes. *Columbian Journal of World Business* (1977) 12(2):89-96.

Ronen, S. and Shenkar, O. Clustering countries on attitudinal dimensions: a review and synthesis *Academy of Management Review*, (1985) 10 no.3, 435-454.

Ruedi, A and Lawrence P. R., Organizations in Two Cultures. in J, W. Lorsch and P. R. Lawrence (eds.) *Studies in Organization Design.* Homowood. Ill., Irwin-Dorsey, 1970.

Rugman, A.M., Lecraw, D.J. and Booth, L.D. *International Business.* New York: McGraw-Hill, 1985.

Rydz, J.S., *Commonsense Manufacturing Management..* New York: Harper and Row, 1990.

Sapir, E., Sound Patterns in Language. *Language*, 1, 1925, pp. 37-51. Reprinted in D.G. Mandelbaum ed., *Selected Writings of Edwards Sapir*, 1949.

Schein, E.H. Coming to a new awareness of organizational culture *Sloan Management Review*, (1984) 25, 3-16.

-------------- *Organizational Culture and Leadership.* San Francisco: Jossey-Bass, 1985.

--------------- Reassessing the "divine rights" of managers. *Sloan Management Review*, (1989), winter, vol 30, pp 63-69.

Schneider, S., "Organizational Sensemaking: 1992", *INSEAD Working Paper*, Fontainebleau, 1991 N. 91/32/OB.

-------------- National vs. corporate culture: implications for human resource management *Human Resource management* (1988) vol 27, n.2 231-246.

Schneider, S. and A. De Meyer "Interpreting and responding to strategic issues", *Strategic Management Journal*, Vol 12, 306-320, 1991.

Scott, W.R. "Introduction' in *Organizational environments: ritual and rationality.* John N. Meyer and R.W. Scott (eds.) Beverly Hills, CA: Sage 1983

Sears, R.R., Transcultural Variables and conceptual equivalence. In B. Kaplan ed., *Studying Personality Cross-Culturally*, Row-Peterson & Co, New York, 1961.

Seward, J. Speaking the Japanese Business Language *European Business*, (winter) 40-47.

Sekaran, U. Methodological and Theoretical Issues and Advancements in Cross-Cultural Research. *Journal of International Business Studies* (1983) Fall:61-73.

Singh, J.P. Managerial culture and work-related values in India *Organization studies* (1990) 11/1 94-106.

Sirota, D. and Greenwood, J.M. Understand your overseas work force. *Harvard Business Review* (1971) 14:89-97.

Schaupp, D. and Kraut, A.I. A study of the communality of industrial values across cultures. *Procedures of the Academy of Management* (1975), pp. 291-292.

Scott, W.R. 'Introduction' in *Organizational Environments: Ritual and Rationality*. John N. Meyer and R.W. Scott (eds.) Beverly Hills, CA: Sage 1983.

Smircich, L. Concepts of Culture and Organizational Analysis. *Administrative Science Quarterly*, (1983) 28:339-358.

Stewart, R. *Managers and their Jobs: A Study of the Similarities and Differences in the Ways Managers Spend their Time.* London: Macmillan, 1967.

Tannenbaum, A.S., B. Kavcic, M. Rosner, M. Vianello and Wieser G. *Hierarchy in Organisations.* Jossey-Bass, San Francisco,1974 .

Thompson, J. *Organizations in Action.* New York: McGraw Hill, 1967.

Thurley K. and H. Wirdenius *Towards European Management.* London: Pitman, 1989.

Triandis, H. C. Subjective culture and interpersonal behaviour. In *Applied Cross-cultural psychology,* J.W. Berry and W.J. Lonner (eds.). Amsterdam: Swets and Zeitlinger, 1975.

----------------- *The Analysis of Subjective Culture.* New York, Wiley-Interscience, 1972.

----------------- Review of Culture's Consequences: international differences in work-related values *Human Organization* (1982) vol 41 n.1 86-90.

Trepo, G. Management style a la francaise *European Business* (1973) 3 71-79.

Tylor, E. B. *Primitive Culture: Researches into the Development of Mythology, Philosophy, Religion, Language, Art and Custom.* New York, Brentano, 1924.

Tung, R.L. Selection and training procedures of U.S., European, and Japanese multinationals *cross management Research,* (1982) 25-1 57-71.

--------------, *Business Negotiations with the Japanese.* Lexington: Lexington Books, 1984.

--------------, *The New Expatriates.* Cambridge: Bollinger, 1988.

Urwick, L.F. and Brech, E.F.L. *The Making of Scientific Management.* London: Management Publications, 1947.

Vineall, T. Creating a multinational management team *Personnel Management* Oct. 1988, p.44-48.

Vroom, V.R. *Workd and Motivation.* New York: Wiley, 1964.

Warner, M and Joynt, P. eds.(1985) *Managing in Different Cultures.* Universitetsforlagat, 1985.

_____, M. Maurice, M., and A. Sorge Societal Differences in Organizing Manufacturing Units: A Comparison of France, West Germany and Great Britain. *Organization Studies,* (1980) p. 59-86.

Weber, M. *The Theory of Social and Economic Organization.* New York, Free Press, 1947.

Weber, M. Max Weber on charisma and institution building. in S.N. Eisenstadt (ed.) Chicago: University of Chicago Press.

Webber, R. A. (ed.) *Culture and Management.* Homewood. IL: Irwin, 1969.

White, W.H. *The Organization Man* Harmondsworth: Penguin, 1963.

Williamson, O.E. *Markets and Hierarchies: Analyses and Anti-trust Implications.* New York: Free Press, 1977.

Woodward, J. Functions and dysfunctions of sects and cults among the disprivileged *Review of Religious Research 6: 5-30*

Woodward, J. *Industrial Organization: Theory and Practice.* London: Oxford University Press, 1965.