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A contrarian view: Culture and participative management

Arthur G. Jago

Department of Management, University of Missouri, Columbia, MO, USA

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ABSTRACT

Managers from fourteen countries describe the level of subordinate participation they would employ in thirty decision-making situations. Culture differences exist in the level of autocratic/democratic behavior managers display. However, within-country (person) differences exceed between-country (culture) differences. Importantly, systematic within-person differences also exist and indicate that managers are more similar in their participative behavior than they are different. The over-attribution of behavior to cultural causes is discussed.

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1. Introduction

With well over 80,000 citations, Hofstede's classic "Culture's Consequences" (Hofstede, 1980, 2001; Hofstede, Hofstede, & Minkov, 2010) is one of the most influential management books of the 20th century. It is also, perhaps, one of the most misinterpreted. It is common, for example, to find an inference such as this one, from what is arguably the leading textbook on international management: "Hofstede found striking cultural differences within a single multinational corporation. In his study, national culture explained 50 percent of the differences in [IBM] employees' attitudes and behaviors" (Adler & Gundersen, 2008, p. 63). Articles that prominently cite the identical 50 percent figure include Aldhuwaih, Shee, and Stanton (2012), Alkhazraji, Gardner, Martin, and Paolillo (1997), and Golden and Veiga (2005), to name a few. Adler and Gundersen make an even more striking claim in stating that "people's behavior is defined by their culture" (2008, p. 20, emphasis added). However, all of these are unsupported exaggerations and are ones that are encouraged by the particular analyses Hofstede employed and the way in which he chose to present and discuss his findings.

Hofstede defines culture as "the collective programming of the mind which distinguishes the members of one human group from another" (Hofstede, 1980, p. 25). The 50 percent figure in "explaining behavior" comes from Hofstede's analysis that is conducted only after aggregating data by country. He performed a

factor analysis on the aggregated data (on country means) rather than on the unaggregated data (individual means). He then states that "factor analysis showed that 50 percent of the variance in answer patterns between countries on the value questions could be explained" by the four cultural dimensions he labeled: (a) *power distance* (manifested, for example, in less disagreement with boss), (b) *uncertainty avoidance* (e.g., associated with less risk taking), (c) *individualism–collectivism* (e.g., less conformity associated with individualism), (d) *masculinity–femininity* (e.g., less benevolence associated with masculinity) (Hofstede, 1980, pp. 78, 103, 184, 230, 289). It is important to recognize, however, that in relying on a factor analysis, Hofstede can only be referring to the amount of variance in the correlation matrix of country-level means that is explained by his four dimensions. He is not referring to the variance explained in individual-level data, that is, the total item variance. As noted by Gerhart and Fang (2005), by using national-level means, any variation among individuals within a country is completely removed from the data before analysis and therefore ignored by the analysis. They suggest that the percent variance explained at the country level by Hofstede's four dimensions is not 50 percent but is more likely to be a "modest" or "small" four percent (p. 980; 982).

Similarly, Hofstede is described by van Hoorn (2015, p.2) as making "fallacious homogeneity assumptions" by discarding within-country variance as if it were inconsequential error. He argues that intra-country (i.e., individual) variation accounts for about 85 percent of total variation in work values. Between-country variations (the remaining 15 percent) are not meaningless; they are simply greatly overshadowed by individual-level differences that

E-mail address: jagoa@missouri.edu.

Table 1
Decision-making processes.

AI	You solve the problem or make the decision yourself using the information available to you at the present time.
All	You obtain any necessary information from subordinates, then decide on solution to the problem yourself. You may or may not tell subordinates the purpose of your questions or give information about the problem or decision you are working on. The input provided by them is clearly in response to your request for specific information. They do not play a role in the definition of the problem or in generating or evaluating alternative solutions.
CI	You share the problem with the relevant subordinates individually, getting their ideas and suggestions without bringing them together as a group. Then <u>you</u> make the decision. This decision may or may not reflect your subordinates' influence.
CII	You share the problem with your subordinates in a group meeting. In this meeting you obtain their ideas and suggestions. Then <u>you</u> make the decision which may or may not reflect your subordinates' influence.
GII	You share the problem with your subordinates as a group. Together you generate and evaluate alternatives and attempt to reach agreement (consensus) on a solution. Your role is much like that of a chairman, coordinating the discussion, keeping it focused on the problem and making sure that the critical issues are discussed. You can provide the group with information or ideas that you have but you do not try to "press" them to adopt "your" solution and are willing to accept and implement any solution which has the support of the entire group.

Vroom and Yetton (1973, p. 13).

must, for both theoretical and practical considerations, be recognized as more important.

The present article takes the approach of Gerhart/Fang and van Hoorn one step further by looking at within-person – as well as within-country – variation in behavior. The traditional assumption in the leadership and managerial behavior literature is that people display a consistent managerial "style" that is relatively invariant across situation. In the present article, this assumption is challenged and the variation in leader actions is partitioned to: (a) country effects, (b) person (within-country) effects, and (c) situation (within-person) effects. Managers' behavior differs by cultures (Hofstede), by people within cultures (Gerhart/Fang/van Hoorn), and by managerial situations within people (this analysis).

2. The Vroom/Yetton leadership model

The theoretical framework for the present analysis is the leadership and decision-making model described by Vroom and Yetton (1973) in their well-known book. They develop a prescriptive (or normative) model that describes how a manager should handle different decision-making circumstances. The leader behaviors (Table 1) are identified by the notation AI and All (both autocratic), CI and CII (both consultative) and GII (group consensus decision-making). These vary on the dimension of managerial "participativeness," a prominent dimension of leadership since the original University of Iowa studies of Lewin, Lippitt, and White (1939). Decision "rules" specify where and when the different methods should be used depending upon the combination of seven "problem attributes" (i.e., situational variables relating to the decisions and subordinates).

Their normative model is not of particular importance to the present research. However, Vroom and Yetton (1973) also develop *descriptive* leader behavior models using a research instrument – they call a "Problem Set" – that measures behavioral intent in 30 decision-making cases. Using the same taxonomy in Table 1 and taking two to three hours to complete, the set conforms to a multifactor, repeated measures experimental design that manipulates, in detailed decision-making contexts, the same "problem attributes" they use in their prescriptive model. The set is an example of what is now called a "situational judgment test (SJT)" (Lievens, Peeters, & Schollaert, 2008), although SJTs are more often used for assessment or selection rather than for research and managerial development purposes as the method is used here.

The Vroom/Yetton Problem Set methodology has been used in a wide array of studies (see Vroom & Jago, 2007) including research to document cross-cultural differences in managerial styles (Reber, Jago, & Böhnisch, 1993; Reber, Jago, Auer-Rizzi, & Szabo, 2000). However, it has not been used to focus on within-country variation in the manner of Gerhart and Fang (2005) and van Hoorn (2015)

cited above. Moreover, the data structure of the Problem Set permits taking the issue of variance partition to a step beyond Gerhart/Fang/van Hoorn. They examined variance due to person (P) nested within country (C). The Problem Set permits the examination of variance due to situation (S) nested within person (P) nested within country (C). Countries are different from each other (as demonstrated by Hofstede); managers, within-country, are also different from each other (as demonstrated by Gerhart/Fang/van Hoorn). But managers also vary their behavior within their own "overall style" (or around their "average behavior") therefore providing – in this article – an even more fundamental level of analysis by which differences in behavior can be described and by which variance can be partitioned (S within P within C).

3. Method

The data for this new analysis were collected from 14 countries during the late 1980s and early 1990s. This was a period when a common version of the Vroom/Yetton instrument (Problem Set #5) was employed in these different settings (c.f. Reber et al., 1993). Different language versions of the instrument were developed. Like Hofstede's IBM survey of 1968 and 1972, back translation was not available but was also deemed not critical (Hofstede, 1980, p. 37).¹ Although the questionnaire is a measure of behavioral intent in 30 circumstances rather than a measure of manifest behavior, the instrument has been shown to predict actual leader behavior in both its English and German versions (Böhnisch, Ragan, Reber, & Jago, 1988; Jago & Vroom, 1978). The 30 cases range from the relatively trivial (e.g., which subordinates to assign to premium parking spaces) to complex, unstructured decisions (e.g., what is the cause of new capital equipment failing to reach the engineering estimates of its efficiency). The Problem Set systematically varies seven situational variables: (1) decision importance, (2) importance of subordinate acceptance for implementation, (3) extent of leader information, (4) problem structure, (5) probability that an autocratic decision would be accepted, (6) subordinate goal congruence, (7) subordinate means–ends conflict. Vroom and Yetton (1973, pp. 93–101; and Vroom & Jago, 1988) describe its specific experimental design and provide numerous sample scenarios. Sample items are also found in Vroom (1973, 1976, 2000) and Vroom and Jago (1974).

Many indices can be computed from Problem Set data (Vroom & Yetton, 1973; Vroom & Jago, 1988). For purposes of this analysis, the behavioral responses to the 30 circumstances are recoded using the

¹ Although great care was taken to produce comparable Problem Sets, any variance due to translation error is completely confounded with country thereby inflating any partition of variance to country. Therefore, the estimates of culture differences in this manuscript are only inflated, rather than minimized, by our analyses.

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