# Cross Cultural Perspectives of Decision-Making and Control in Multinational Corporations Operating in ASEAN

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Kajian ini membincangkan isu-isu persekitaran budaya negara ASEAN dan cabaran-cabarannya terhadap pengurus-pengurus korporat multi-nasional. Kajian ini melaporkan penemuan terhadap corak membuat keputusan, kawalan dan pengurusan budaya serta aspek gelagat. Walaupun penemuan ini mempunyai persamaan dengan kajian lain, namun terdapat perbezaan dalam corak membuat keputusan, kawalan dan pengurusan budaya serta aspek gelegat.

Kata kunci: ASEAN, persekitaran budaya, korporat multi-nasional, membuat keputusan, kawalan

## Introduction

With the rapid economic growth in most of the countries of the ASEAN region since the 1980 s, multi national corporations (hereafter MNCs) have fast spread their wings in different spheres of their economies. While there is an on-going discussion and debate on the crucial factors responsible for the economic miracle in this region, the impact of cultural diversity on international business has not been adequately researched by international marketers (Hodgetts & Leuthans, 2000). As markets, competition and organisations globalise, the business people, politicians, and consumers have to interact, manage, negotiate, and compromise with people from different cultures. Working with people whose values and beliefs are markedly different, can lead to incalculable losses, difficulties, hassles, and challenges and even jeopardise the interests of the corporations.

The rest of the paper is organised as follows. In the next section, relevant literature relating to different aspects of culture is reviewed. A background information on decision-making and control is then presented. The subsequent section describes the research methodology. Thereafter, the results of the study undertaken is analysed and discussed in the context of American, Japanese and French MNCs. The MNCs originating from these region has been chosen for the study due to their prominent presence in the region. The paper concludes with a summary and description of the implications of the findings and outlines the limitations of this study.

### Literature Review

A wealth of information exists on the decision-making styles of managers. Fundamentally, decision making is a pervasive aspect of managerial action (Mintzberg, 1973). As decision styles are learned habits of thinking, moulded by cultures, this has been a subject of great interest to researchers. Further, with global business increasing tremendously, comparative management has received a lot of attention over the last two decades. Critics have claimed that different decision styles account for different level of international competitiveness of firms (Cosier and Dalton 1986, Harber and Samson 1989, Peters and Waterman 1982).

Control is a process by which management attempts to ensure that actual activities conform to planned activities. While control aims to fulfil a number of organisational purposes, the areas requiring control, such as on financial matters, operational matters, or technical issues have been used variedly by managers' across different cultures. Although control activities are systematic, there are several behavioural considerations in the process of control. Managers' personal goal, the environmental factors, and the cultural context make an impact on the development of control system in an organisation.

Research on managerial decision making has emphasised its different domains. Extensive research exists related to many of the stages of managers' intentional decision making processes including issue interpretation and goal articulation (example, Dutton & Ashford, 1993; March & Simon, 1958), information utilisation (example, Langley, 1989; O'Reilly, 1983), evaluation (example, Dougherty & Heller, 1994; Feldman, 1988), and solution adoption/implementation (e.g., Nutt, 1987). Managerial decision making has often been influenced by the nation and cultures. Heller and Wilpert (1981) observed that the degree to which decision making are more apt to be shared, for example, in Sweden or France than in Israel or Spain. The same study also found that the process of decision making also varied among industries, with dynamic environment and rapidly changing technologies making managers to involve more individuals in the decision making process. The types of decisions that a manager is asked to make are dictated by the manager's level in the organisation. As discussed earlier, based on the cultural context, managers' at different levels may be directly involved in making strategic decisions relating to business, daily operations, functional issues, or local political issues. The extent of involvement of the managers in decisions relating to team problem solving, delegation and ascertaining technical requirements are also varied.

As the aim of this study is to evaluate the decision-making styles and control from a cross cultural perspective, the focus now is on a review of the aspects relating to culture. A review of literature reveals that with too many definitions of culture in different research fields, one's understanding of a

culture is limited because the very same aspect of a culture can be many different things to different people in different research fields at the same time. To quote a few instances, to have an understanding of the cultural influence on societies, one needs typologies (Schein, 1985) or dimensions (Hofstede, 1980b). Because a culture is a complex system, cross-cultural studies need a systems approach.

Cross-cultural studies are concerned with differences in factors such as educational background, beliefs, art, morals, customs, laws, economic and political frameworks, etc. (Evans *et al* 1991). Another study analysed some important cultural phenomena and concluded how an understanding of these phenomena can help international corporations from the West market their services more effectively as well as enhance their ability to manage adversities (Low's 1995, 1997).

The ongoing debate on the extent of cultural impact on work behaviour goes on in international management. Hofstede (1980a) maintained that people carry "mental programs" that are developed and reinforced through their experience, and that these "mental programs" contain a component of national culture. Analysing the data from more than 40 countries, Hofstede (1980b) concluded that these mental programs denote the existence of four underlying value dimensions along which these countries could be positioned into culture areas. These four dimensions are (Hofstede, 1980b, 1983, 1984, 1985):

- 1. *power distance*, i.e. the extent of power inequality among members of an organizational society;
- 2. *ncertainty avoidance*, i.e. the extent to which members of an organizational society feel threatened by and try to avoid future uncertainty or ambiguous situations;
- 3. *individualism and collectivism*, which describes the relationship between the individual and the collectivity that is reflected in the way people live together; and
- 4. masculinity and femininity, i.e. the extent of roles division between sexes to which people in a society put different emphasis on work goals and assertiveness as opposed to personal goals and nurturance.

These four dimensions are based on four fundamental issues in human societies within which every society has to find particular answers. According to Hofstede (1980), these provide an important framework not only for analysing national culture, but also for considering the effects of cultural differences on management and organisation. Hoecklin (1996) concludes that this framework is especially useful for understanding people's conceptions of an organisation, the mechanisms that are considered appropriate in controlling and co-ordinating the activities within it, and the roles and relations of its members.

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As this study intends to capture the cross cultural perspectives of decision making of MNC's operating in ASEAN and given the cross cultural differences, discussion now focuses on the work related values in ASEAN (with the exception of Brunei and Vietnam). Table 1 provides an insight into these, based on Hofstede's (1980b) study.

**Table 1**Four Work related values (Score and rank in brackets)

Country	Power- Distance Index	Individualism Value	Masculinity Value	Uncertainty Avoidance Value
Indonesia	78 (3)	14 (5)	46 (4)	48 (2)
Malaysia	104 (1)	26 (2)	50 (2)	36 (4)
Philippines	94 (2)	32 (1)	64 (1)	44 (3)
Singapore	74 (4)	20 (3/4)	48 (3)	8 (5)
Thailand	64 (5)	20 (3/4)	34 (5)	64 (1)

Source: Adapted from Hofstede, G. (1980). Culture's Consequences: International differences in Work-related Values.

Power distance index (PDI) refers to the society's extent of acceptance that power is unequally distributed within institutions. As is evident from the table, Malaysia and Philippines have a high PDI, which means the employees follow superior's order, rarely bypassing the chain of command. Most of the ASEAN members have a low individualism value IDV, which implies that they are low in individualism and put the group's well being ahead of individual well being. The masculinity value (MAS) implies the extent of prevalence of 'traditionally masculine' values such as assertiveness, pragmatism, and materialism. In relatively masculine societies like Philippines, fewer women occupy senior positions. The uncertainty avoidance value (UAV) represents the extent to which people within a society feel threatened by ambiguity. As can be seen from the data, Thailand has recorded the highest UAV score, which implies that Thai organisations are more likely to follow formal rules and procedures. Another implication is that the Thai managers have a higher propensity to make low-risk decisions.

## Research Methodology

To capture the main purpose of the study, a questionnaire on styles of decision-making and control has been initiated with the inclusion of Ernest's (1984) methodology and Hofstede's (1980a) research on American cultural dimensions. The study utilised a variant of a questionnaire that was previously developed by Renwick and Rhinesmith as an exercise in cultural analysis for managers (Ernest, 1984). Adopting these guidelines, a 4-page survey instrument was developed, which was structured into 3 parts, namely A, B and C. A five point Likert scale, was utilised to measure the different perspectives of decision making and control.

- Part A comprised of 12 constructs developed to measure the overall process of decision-making. Information relating to the extent of direct involvement in formulating corporate strategies, business strategies, functional strategies, daily operations, local political issues, economic demands and human resources issues were obtained. The other constructs sought to measure the extent of delegation, decision making style and the extent of team problem solving.
- Part B measured the issues relating to control. Six constructs were developed in this part, which focused in the area of control over financial matters, operational matters, technical issues, variances, and any abnormal issues.
- Part C comprised of another 12 constructs developed to measure the cultural and behavioural aspects of the managers in the region. The measures included the impact of culture on measures that included competitive attitude, sense of accomplishment, the power distance, competitive attitude, among others.

Finally, a set of questions were designed to collect information details on the respondents' organisation, whether it is a French, American or Japanese MNC. This is to ensure that in line with the objective of the study, the organisation remains the unit of analysis. Information was also sought on the respondents' position in the respondent organisation.

## Data Collection Procedure

Samples for the population were drawn from a list specially compiled for the study by drawing a list of MNCs operating in ASEAN. Trade Attaches of the Diplomatic offices of France, United States of America and Japan operating in Malaysia and other nations in the South East Asian region were contacted to obtain a list of the respective MNC's in the region. Directories of the US-

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Asean Business Council, Japan-ASEAN Business Council and the French Trade Directory, were scanned to assist in compiling the list. Various Chambers of Commerce in the region were contacted to identify MNC's within the region. A list of 600 MNCs in the ASEAN was compiled in this fashion.

These firms were then mailed with the questionnaire containing a cover letter and pre-paid reply envelope address to top management. A total of 163 responses were obtained. To provide to equal weightage to MNCs from the three countries, a set of fifty responses were picked up at random from the respondent managers of American, French and Japanese MNC's.

#### Analysis

Table 2 provides a comparative analysis of decision-making of American, French, and Japanese MNC managers in ASEAN.

Analysis of the decision-making styles indicates that the Managers of French and Japanese MNCs strongly agree on the direct involvement in decision making. However, managers of American MNCs have been more consistent with direct involvement in different aspects of decision making. The high standard deviation score for the French managers indicates that there has been a greater degree of variation in their responses.

Comparative analysis of overall decision making by managers of these MNCs reveals interesting results. There is a significant degree of correlation between Managers of American and Japanese MNCs, while there is no significant evidence of either an agreement or disagreement between Managers of American and French MNCs as well as the French and Japanese MNCs.

Table 3 provides a comparative analysis of the overall control by the American, French and Japanese MNC managers in ASEAN. In the area of control, the managers of French MNCs strongly agree on the areas requiring direct control. The agreement on areas of control by managers of Japanese and American is almost the same on an average. However, managers of American MNCs have once again shown more consistency with direct involvement in different aspects of control. The high standard deviation score for the American managers suggests that there has been a greater degree of variation in their responses.

Table 2 Comparative analysis of decision making of American, French and Japanese MNCs Managers in ASEAN region

	Decision making	American	French	Japanese
		A	erage rating*	
ı	Direct involvement in:			
	<ul> <li>Corporate strategies</li> </ul>	4.8	5.0	5.0
	<ul> <li>Business strategies</li> </ul>	3.6	4.8	3.6
	<ul> <li>Functional strategies</li> </ul>	3.2	4.0	3.6
	<ul> <li>Daily operations</li> </ul>	2.4	4.2	3.0
	<ul> <li>Operational projects</li> </ul>	3.8	4.2	4.0
	<ul> <li>Local political issues</li> </ul>	3.4	3.8	3.2
	<ul> <li>Economic demands</li> </ul>	3.6	4.2	4.4
	<ul> <li>Human resources</li> </ul>	3.4	2.6	4.8
2	Technical skills requirement	2.6	4.4	3.6
3	Team problem solving	3.2	2.6	4.8
4	Delegation	3.8	2.0	3.6
5	Autocratic style	2.4	4.4	2.6
	Mean	3.350	3.850	3.850
	Std. Deviation	0.677	0.942	0.763
	Std.Error Mean	0.196	0.272	0.220
	Paired Correlations		Correlati	Sig.
			on	
	Bet American & French		0.021	0.947
	Bet American & Japanese		0.666	0.018**
	Bet French & Japanese		-0.216	0.5

<sup>\*</sup>Based on a scale ranging from 1= Strongly Disagree to 5= Strongly Agree
\*\* Correlation is significant at 95% confidence level

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Table 3

Comparative analysis of control of American, French and Japanese MNCs

Managers in ASEAN region

Control	American	French	Japanese
		Average rating*	_
1 Areas requiring total control			
<ul> <li>Financial matters</li> </ul>	4.0	4.2	3.6
<ul> <li>Abnormal/major issues</li> </ul>	4.6	4.6	4.2
<ul><li>Variances</li></ul>	3.8	4.6	3.8
<ul> <li>Operational matters</li> </ul>	2.6	4.2	2.6
<ul> <li>Technical issues</li> </ul>	2.2	3.8	3.0
2 Direct control (face to face)	3.8	2.8	4.4
Mean	3.500	4.030	3.600
Std. Deviation	0.909	0.674	0.693
Std.Error Mean	0.371	0.275	0.282
Paired Correlations		Correlation	Sig.
Bet American & French		0.215	0.682
Bet American & Japanese		0.838	0.037**
Bet French & Japanese		-0.240	0.647

<sup>\*</sup>Based on a scale ranging from 1= Strongly Disagree to 5= Strongly Agree

A comparative analysis of overall control by managers of these MNCs reveals that there is a significant degree of agreement between managers of American and Japanese MNCs, while there is no significant evidence of either an agreement or disagreement between Managers of American and French MNCs as well as in case of a comparison of managers of the French and Japanese MNCs.

As far as issues of cultural and behavioural aspects are concerned, as Table 4 indicates, the Managers of French MNCs have a comparatively higher degree of agreement in the management of cultural and behavioural aspects. Although Managers of American MNCs have the next higher degree of agreement, there is a great variance among the American managers on managing the different aspects relating to culture and behaviour. The managers of French MNCs have shown more consistency in this regard. The high standard deviation score for the American managers suggests that there has been a greater degree of variation in their responses. A comparative

<sup>\*\*</sup> Correlation is significant at 95% confidence level

analysis of overall decision making by managers of these MNCs reveals that there is no significant correlation between the three groups of Managers.

**Table 4**Comparative analysis of cultural/behavioral aspects of American, French and Japanese MNCs Managers in ASEAN region

Det i morieum es vinese	Cultural/ Behavioral	American	French	Japanese
Directness       3.6       3.2       1.4         Competitive attitude       3.8       4       3.2         Sense of accomplishment       3.4       4       3         Freedom       4.6       3.8       2.8         Individualistic       4       3.8       2.8         Questioners       4.4       2.6       2         Silentness       1.4       2       3.4         Punctuality       4       3.8       4         Power distance       2       4.4       3.2         Uncertainty avoidance       1.2       3.2       3.8         Materialism       3.8       4       3         Mean       3.317       3.533       2.883         Std. Deviation       1.139       0.678       0.76         Std.Error Mean       0.329       0.196       0.219         Paired Correlations       Correlation       Sig.         Bet American & French       0.307       0.331         Bet American & J'nese       -0.436       0.156				
Competitive attitude       3.8       4       3.2         Sense of accomplishment       3.4       4       3         Freedom       4.6       3.8       2.8         Individualistic       4       3.8       2.8         Questioners       4.4       2.6       2         Silentness       1.4       2       3.4         Punctuality       4       3.8       4         Power distance       2       4.4       3.2         Uncertainty avoidance       1.2       3.2       3.8         Materialism       3.8       4       3         Mean       3.317       3.533       2.883         Std. Deviation       1.139       0.678       0.76         Std.Error Mean       0.329       0.196       0.219         Paired Correlations       Correlation       Sig.         Bet American & French       0.307       0.331         Bet American & J'nese       -0.436       0.156	Informal style	3.6	3.6	2
Sense of accomplishment       3.4       4       3         Freedom       4.6       3.8       2.8         Individualistic       4       3.8       2.8         Questioners       4.4       2.6       2         Silentness       1.4       2       3.4         Punctuality       4       3.8       4         Power distance       2       4.4       3.2         Uncertainty avoidance       1.2       3.2       3.8         Materialism       3.8       4       3         Mean       3.317       3.533       2.883         Std. Deviation       1.139       0.678       0.76         Std.Error Mean       0.329       0.196       0.219         Paired Correlations       Correlation       Sig.         Bet American & French       0.307       0.331         Bet American & J'nese       -0.436       0.156	Directness	3.6	3.2	1.4
Freedom       4.6       3.8       2.8         Individualistic       4       3.8       2.8         Questioners       4.4       2.6       2         Silentness       1.4       2       3.4         Punctuality       4       3.8       4         Power distance       2       4.4       3.2         Uncertainty avoidance       1.2       3.2       3.8         Materialism       3.8       4       3         Mean       3.317       3.533       2.883         Std. Deviation       1.139       0.678       0.76         Std.Error Mean       0.329       0.196       0.219         Paired Correlations       Correlation       Sig.         Bet American & French       0.307       0.331         Bet American & J'nese       -0.436       0.156	Competitive attitude	3.8	4	3.2
Individualistic       4       3.8       2.8         Questioners       4.4       2.6       2         Silentness       1.4       2       3.4         Punctuality       4       3.8       4         Power distance       2       4.4       3.2         Uncertainty avoidance       1.2       3.2       3.8         Materialism       3.8       4       3         Mean       3.317       3.533       2.883         Std. Deviation       1.139       0.678       0.76         Std.Error Mean       0.329       0.196       0.219         Paired Correlations       Correlation       Sig.         Bet American & French       0.307       0.331         Bet American & J'nese       -0.436       0.156	Sense of accomplishment	3.4	4	3
Questioners       4.4       2.6       2         Silentness       1.4       2       3.4         Punctuality       4       3.8       4         Power distance       2       4.4       3.2         Uncertainty avoidance       1.2       3.2       3.8         Materialism       3.8       4       3         Mean       3.317       3.533       2.883         Std. Deviation       1.139       0.678       0.76         Std.Error Mean       0.329       0.196       0.219         Paired Correlations       Correlation       Sig.         Bet American & French       0.307       0.331         Bet American & J'nese       -0.436       0.156	Freedom	4.6	3.8	2.8
Silentness       1.4       2       3.4         Punctuality       4       3.8       4         Power distance       2       4.4       3.2         Uncertainty avoidance       1.2       3.2       3.8         Materialism       3.8       4       3         Mean       3.317       3.533       2.883         Std. Deviation       1.139       0.678       0.76         Std.Error Mean       0.329       0.196       0.219         Paired Correlations       Correlation       Sig.         Bet American & French       0.307       0.331         Bet American & J'nese       -0.436       0.156	Individualistic	4	3.8	2.8
Punctuality         4         3.8         4           Power distance         2         4.4         3.2           Uncertainty avoidance         1.2         3.2         3.8           Materialism         3.8         4         3           Mean         3.317         3.533         2.883           Std. Deviation         1.139         0.678         0.76           Std.Error Mean         0.329         0.196         0.219           Paired Correlations         Correlation         Sig.           Bet American & French         0.307         0.331           Bet American & J'nese         -0.436         0.156	Questioners	4.4	2.6	2
Power distance         2         4.4         3.2           Uncertainty avoidance         1.2         3.2         3.8           Materialism         3.8         4         3           Mean         3.317         3.533         2.883           Std. Deviation         1.139         0.678         0.76           Std.Error Mean         0.329         0.196         0.219           Paired Correlations         Correlation         Sig.           Bet American & French         0.307         0.331           Bet American & J'nese         -0.436         0.156	Silentness	1.4	2	3.4
Uncertainty avoidance         1.2         3.2         3.8           Materialism         3.8         4         3           Mean         3.317         3.533         2.883           Std. Deviation         1.139         0.678         0.76           Std.Error Mean         0.329         0.196         0.219           Paired Correlations         Correlation         Sig.           Bet American & French         0.307         0.331           Bet American & J'nese         -0.436         0.156	Punctuality	4	3.8	4
Materialism         3.8         4         3           Mean         3.317         3.533         2.883           Std. Deviation         1.139         0.678         0.76           Std.Error Mean         0.329         0.196         0.219           Paired Correlations         Correlation         Sig.           Bet American & French         0.307         0.331           Bet American & J'nese         -0.436         0.156	Power distance	2	4.4	3.2
Mean         3.317         3.533         2.883           Std. Deviation         1.139         0.678         0.76           Std.Error Mean         0.329         0.196         0.219           Paired Correlations         Correlation         Sig.           Bet American & French         0.307         0.331           Bet American & J'nese         -0.436         0.156	Uncertainty avoidance	1.2	3.2	3.8
Std. Deviation         1.139         0.678         0.76           Std.Error Mean         0.329         0.196         0.219           Paired Correlations         Correlation         Sig.           Bet American & French         0.307         0.331           Bet American & J'nese         -0.436         0.156	Materialism	3.8	4	3
Std.Error Mean         0.329         0.196         0.219           Paired Correlations         Correlation         Sig.           Bet American & French         0.307         0.331           Bet American & J'nese         -0.436         0.156	Mean	3.317	3.533	2.883
Paired CorrelationsCorrelationSig.Bet American & French0.3070.331Bet American & J'nese-0.4360.156	Std. Deviation	1.139	0.678	0.76
Bet American & French       0.307       0.331         Bet American & J'nese       -0.436       0.156	Std.Error Mean	0.329	0.196	0.219
Bet American & J'nese -0.436 0.156	Paired Correlations		Correlation	Sig.
Det i morteun de vindo	Bet American & French		0.307	0.331
Bet French & J'nese 0.167 0.604	Bet American & J'nese		-0.436	0.156
	Bet French & J'nese		0.167	0.604

<sup>\*</sup>Based on a scale ranging from 1= Strongly Disagree to 5= Strongly Agree

#### Discussion

## American Managers' Perspectives

The respondents from American MNCs agreed that there must be a direct involvement of employees in decision-making at all levels, except for routine functional strategies. They hold the view that they should directly be involved in business strategies, operational projects, local political issues, economic demands, and human resources. The decision making in these MNCs is centralised. This finding is similar to a research done by Neganthi (1987) which confirms that decision making in American MNCs is fairly centralised with a world-wide common strategy in managing the overseas units and administered from the head office. Nevertheless, Draft (1994) in his study pointed out that in North American firms, the trend is moving towards decentralisation of organisational structure.

Team problem solving is not rated highly in the American MNCs. The managers have rated team problem solving as neutral. Americans are mainly trained for specific responsibility and believe in solving problems by studying possible causes while keeping other variables constant (Holusha,1988). The respondents agree on delegation and disagree on autocratic management style. They believe that the technical skills are not absolutely important for decision making at the level of senior managers.

In terms of control, the American senior managers strongly agree that total control shall be instituted in financial matters and abnormal issues faced by the organisation. The Americans rely on quantifiable objectives, precise plans, and budgets in generating standards for comparison and control. (Egelholf, 1984). The emphases on control through variances were evident from this research. The American senior managers disagree that they should control the operational and technical issues that may occur. The respondents from American MNCs also believe that face to face meeting is important to enhance control of a manager. Formalised control through budgets and financial statements are still preferred by Americans (Yeah and Taiga 1987). The results also reveal that Americans strongly agree on freedom and believe in determining their own destiny. They are known as "freedom-loving and self-reliant" type of people.

As regards the cultural and behavioural aspects, the senior manager's responses seem to conform to Ernest's (1984) findings but in a more moderate manner. The results showed that the American managers only obtain an average of 3.6 out of 5 points for informal style and directness of conversation. Similarly, these managers are rated low as regards competitive attitude or assertiveness, which leads to a lower sense of achievement compared to a high rating in the study by Ernest. The results also do not totally agree with the findings of England (1978), which have evinced that Americans are highly

pragmatic, value achievement, and competence orientated. The findings confirmed Margo Earnest's results that Americans are questioners and dislike being silent during conversations.

#### French Managers' Perspectives

All senior managers of French MNCs responded that they strongly agree on their total involvement in decision making of corporate strategies. Similarly, the managers agree in the involvement on business and functional strategies, operational projects and economic demands. There is less direct involvement in local political issues, and they feel that they should not be directly involved in the local human resource issues. French managers strongly agree that a manager needs technical skills for decision making. They also believe that ultimate decision making must come from the top. Delegation is low amongst these respondents. The French managers tend to have a more centralised decision making due to the lack of confidence in their middle management. The senior managers are mostly form highly technical backgrounds. (Raghu Nath, 1988). French respondents stressed the importance in controlling financial matters, abnormalities, variances, operational issues, and even technical issues. They do not believe in face to face meeting for monitoring job assignments of their subordinates. French managers prefer a detailed control system. They focus on variances in production, operational efficiencies and use these measurements for surveillance and policing instrument. (Horontz, 1978). There is extremely limited delegation in the French management, which requires a heavy system of administrative checks and balances to measure how task is performed. The emphasis is on compliance with standards and norms. French are known as projectionists and their management style is suited for stable markets.

On the behavioural and cultural aspects, the French MNCs' managers responded by agreeing to informal style and directness on conversation. Like the Americans, they believe in freedom. The findings revealed that they agree to competition and emphasise achievement. These results contradict the findings of Moran (1987) who holds the view that French are not motivated by competition and are not productive. However, his findings are limited to the public sector and not the private sector. The French managers agree on freedom and believe in punctuality. However, they only ask a question when it is required. The French manager will rather stay quiet if there is nothing else to talk about. Compared to Hofstede's (1991) findings on French managers, the result show that the managers who responded to this research are individualistic, agree on power distance and prefer uncertainty avoidance. However, the results also indicate that the respondents are materialistic and do not attach much importance to quality of life. It also contradicts Hofstede's finding that French emphasise the quality of life.

## Japanese Managers' Perspectives

Besides placing a high importance on involvement in decision making for corporate strategies, Japanese senior managers also place high importance to economic demands and human resources. On the other hand, they seem to be neutral in terms of local political issues, functional and operational strategies. The managers agree that technical skills are necessary in decision-making and strongly believe in team problem solving. Japanese stressed on *Ringisiedo* or consensus of opinion during decision making. the Japanese executives put blame on the team for mistakes and for ineffective solutions of problems and the workers are guaranteed on security of jobs.

The team problem solving is based on brainstorming and few bold experiments that seek quickly to find a solution to the problem. The Japanese respondents also agree on the importance of technical skills for problem solving. The Japanese managers exercise delegation and disagree to an autocratic managerial style.

As regards the areas of control, the Japanese respondents focussed more attention on control of major issues affecting the organisations. They agree that control on financial matters, variances and technical issues are also important. Most respondents strongly agree that a face to face meeting with individuals (direct control) is important in monitoring progress of assignments. Daley (1985) also had similar findings in their study but they emphasised that these findings must not be interpreted as if Japanese managers institute high control over the organisation, but merely use this control process as a communication device.

Based on Ernest's cultural and behavioural dimensions, the Japanese senior managers in MNCs responded opposite to the Americans except in the area of competitiveness and sense of accomplishment. The respondents disagree with informal styles and treat people differently from different age group and social strata. They place less importance to freedom. During communication, the respondents felt that they will only ask factual questions and do not feel uncomfortable if they do not have any questions. The findings also showed that Japanese agreed to punctuality. Although Japanese are punctual, they however expect one to wait for group decisions that take time (Harris, 1991). Based on Hofstede's cultural dimensions, the Japanese response show a slight difference. They agree to collectivism, uncertainty avoidance and strongly agree to power distance with lower degree of materialism as compared to Hofstede's findings.

#### Conclusion

MNCs are breaking down national boundaries to find the best sources of materials, resources and with lower cost of production. The location of headquarters is immaterial, the senior managers in MNCs are also recognising the importance of breaking down these boundaries and adopting acculturation in order to be more efficient and effective in a competitive global market place. It is evident from this study that although similarities were observed as compared with other studies, there were also contradicting results observed in the decision making styles, control and cultural-behavioural aspects. Most of the MNCs, which responded to this questionnaire, have been in the ASEAN region for more than a decade. The management style might have changed in response to cross-cultural developments taking place in ASEAN, which is a fast developing region. These managers have acquired transnational skills, a global perspective, local responsiveness, synergistic learning, cross-cultural interaction, and collaboration in order to be competent. These MNCs have assimilated the elements of the domestic and foreign culture, besides emphasising on cross-cultural training and other organisational developments.

While this study has revealed some interesting results, readers should be cautious on some of its limitations. The limited sample size is a major limitation to generalise findings across the whole of ASEAN. Therefore, findings of this study are tentative and needs further verification. Further study with a larger representative of all regions is suggested for a rigorous analysis.

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