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Culture and Management : A First Overview

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Abstract

What works and what does not work in management? How can one arrive at good or bad decisions? These are questions that seem to be most reasonable and universal. However, going through management literature teaches us that these questions might not be as neutral as we think. They carry a specific kind of presuppositions about the things that are necessary for good management, such as a series of rules and norms, formal relations between the individual and the organisation, and elaborated planning. This image of how management should be is challenged in the literature about management in Asia. Although often implicit, the claim there is that Asian management practices are examples of how management (1) should not be or (2) is mysterious and cannot be adequately described. The descriptions consist of a set of snapshots that do not form a coherent whole. An intriguing question that arises from this state of affairs is why so many people, after working in Asia for years, have not been able to develop better descriptions.

1. How Management should be: Structure, Values and Equality

The first aspect one notices in management literature is the emphasis the West places on how management practices should look like: what works and what doesn't; what is good governance and what is not; how can one arrive at good or bad decisions; etc. S.G. Redding,

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retired professor in management at the Hong Kong University, summarizes the existing (Western) image of management:

[I]ts mechanisms include the specialisation of work and resulting clear job definitions; a hierarchy of boss-subordinate relationships clearly defined and extending through all the layers of the organisation from basic operative to chief executive; objective rules and regulations; neutrality in the assessment of people's work and its consequent reward; measurement of, and accountability for, performance where possible; and contractual relationships of a legal nature between the individual and the organisation (Redding 1982: 107-108).

S. Mark Young arrives at the same conclusion when talking about the control systems in the West compared to Japan:

[C]ontrol systems consisting of rules, standards, and norms of behavior are established to guide, motivate, and evaluate employees' behavior and performance (Gigliani & Bedeian, 1974; Hopwood, 1976; Lawler & Rhode, 1976; Ouchi, 1977) (Young 1992: 681).

Management literature presupposes on the one hand a fixed order – a series of laws, rules and norms; a formal and contractual division of labor and contractual relations between the individual and the organisation; a clear and 'open' communication; clearly elaborated plans; clearly defined rules for the evaluation of employees; decisions that have a foundation in 'theory' – and on the other hand a large degree of 'democracy' in the company, where equality and participation are important.

2. How Management should not be: Chaos, Intuition and Inequality

This image of how management should be, is challenged in the literature concerning culture and management (intercultural management, cross-cultural management), especially when it concerns Asia. The conclusion is that the Asian management practices are examples of how management should not be. Frequently recurring terms are 'rationality' versus 'irrationality', or 'analytical' versus 'intuitiveness'.

Some managers, especially in Japan, recognize the multi-dimensional character of their company. They seem able to use a logic appropriate to machines (analytic-rational) **and** a logic more appropriate to social relations (synthetic-intuitive), switching between these as needed ... In opposition to this we have our western approach, based on American business education, which treats management as a profession and regards emotionally detached rationality as "scientifically" necessary. This numerical, cerebral approach not only dominates American business schools, but other economic and business faculties (Trompenaars and Hampden-Turner 2005: 4, emphasis in the original).

In other words, Asia seems to ignore most management 'laws'. There are a few recurring observations: 1) the impression of chaos, or the lack of a clear structure and 2) emphasis on 'extraordinary' social relations, which lead to corruption, nepotism or at the very least to inequality and even to oppression and enslavement of the employee.

With chaos one refers to the impression that the job descriptions are vague or even lacking, and that the decision-making process does not follow the expected pattern, despite the strong

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hierarchy. On the one hand, it seems that all authority is centered around one person, the strong CEO or boss, replacing formal models to arrive at decisions, such as market research, evaluation models, etc. On the other hand, employees often carry unexpected responsibilities, which would be expected to rest with the highest level (more on that in section 4.3). The impression of chaos is often described as follows: rules are not followed, goals are not openly discussed or written down, communication channels are not transparent and systems of quality control and employee evaluation are absent.

In the context of social relations, one often speaks of 'unseemly influence' when recruiting, promoting or firing employees, without a clear and 'honest' evaluation (see Redding 1982: 112). One experiences corruption and nepotism: the treatment of employees is not democratic, but a consequence of the personality of a CEO. The relation with customers is also based on social relations, etc.

The difference and the relationship between what is described as chaos, and what are unseemly social relations, is not always clear: some anecdotes suggest that the chaos causes the unseemly social relations, other anecdotes claim the opposite. As opposed to that chaos, the West uses systematic management models which link to hierarchy. The assumption is that systematic management models help to avoid hierarchical relationships based on social relations and leave employees more free in their actions.

Chinese management practices, for example, lack management models and that has to do with their hierarchical structure based on social relations. That is why, says Aminpour, Chinese managers are constantly putting out small fires instead of occupying themselves with the bigger picture of management and company results.

Chinese executives and supervisors lack experience in managing performance. They tend to focus mainly on fighting fires and have little time to use systematic management tools. The failure to bear down on performance is also partly cultural. The clear hierarchy in Chinese factories means that workers are reluctant to challenge managers, who tend to feel that it is beneath their dignity to get involved with nitty-gritty problems on the shop floor (Aminpour et al. 2006: 112).

The lack of systematic management models is being very clearly linked to a strict hierarchy based on social relations which in its turn is considered the cause of the lack of participation and the lack of open communication on the work floor. Furthermore, Aminpour claims that the different steps in the production process are not well-defined, and because of that the necessary skills to understand that production process are absent. He assumes that because there is no system in the production process, the knowledge on how to improve that process is also absent.

The kind of focus on fine-tuning production systems that works well in places such as Stuttgart and Detroit tends to fall flat in Shenzhen and Shanghai, where steps in the production process are ill defined and the skills needed to understand and improve them are rare (Aminpour et al. 2006: 111).

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Lazer, Murata and Kosaka provide similar descriptions about Japanese companies, albeit in somewhat more positive terms. Japanese companies rely far less on formal and clearly defined market strategies than their western counterparts. The emphasis lies far more on the execution of these strategies. Rather than using formal models, they use loose structures which take human relations into account.

Japanese companies place *less reliance on the formal and conceptual aspects* of formulating marketing goals and strategies and more emphasis on the implementation and human relations aspects than do American companies (Murata 1983). ... *loose, human oriented structures, processes and systems are used.* ... [Japanese organizations] generally have strengths in implementing rather than formulating marketing strategies (Lazer et al. 1985: 77, our emphasis).

The observation here is that there is a 'lack' of theoretical grounding of market strategies, and that Japanese companies are more focused on executing these strategies. Theory, typically western, is contrasted with execution and practice, which is typically Japanese.

The chances of an employee for development are also problematized: a culture like India prevents people from developing into individuals. The culture does not support individual initiatives, even discourages it. Again a link is suggested, this time to the close social relationships.

Collectivism and power distance represent two cultural dimensions that may have a large impact on students' relationships with their academic environments. *Collectivism* describes a culture where individuals are viewed as part of a larger group in which the group members look after one another and protect the interests of their members in return for loyalty. In collectivistic cultures, identity is based on the social system, and the emphasis is *not on individual initiative and achievement* [our emphasis], but instead on belonging to a social organization. *Morality* is defined by maintenance of solidarity and the subjugation of personal interests to the common good (Triandis & Bhawuk, 1997). This collective (rather than self) orientation results in the emotional dependence of individuals on institutions and organizations (Hofstede, 2001) (Westerman and Vanka 2005: 411, emphasis in the original, unless otherwise specified).

Not the individual achievements, but the group or social organisation determines the identity of the individual. In this description, the individual becomes emotionally dependent on the group, which also determines his / her motivations. Although the authors do not condemn this explicitly, it does seem that we are forced to conclude that this is an inferior form of human development. A quote to illustrate this point:

Hofstede notes that in nations with high power-distance between superiors and subordinates 'where children are more dependent on parents we will find more frequently that students are dependent on teachers. There is more rote learning, and the asking of questions is seldom encouraged; teachers are more often supposed to be omniscient, even if they do not like it' (Hofstede, 1980: 126). Students put a high value on conformity, and 'show authoritarian attitudes as a social norm' (Hofstede, 1980: 119). Hofstede (1980) notes that this effect is not limited to students: 'Managers are more satisfied with a directive or persuasive superior' (p. 119) (Westerman and Vanka 2005: 411).

From the relevant literature it becomes clear that the emphasis on the collective as opposed to the individual has a number of consequences: there are centralized decision-making bodies,

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there is a concentration of authority in a small group of people or in one person. The development of a critical individual mind seems impossible in such an environment. People without authority dare not take decisions and prefer that those with authority take decisions. Authoritative attitudes become the norm for leaders. On top of that, the differences between individuals are supposedly suppressed.

From these descriptions, we cannot but conclude that this is not how a person should develop: a human being should develop into a critical individual who dares to question his bosses, who strives for participation in decisions and preferably does not conform to the majority.

In other words, the Asian company structure shows a lack of (1) systematic management models, (2) participation of employees, (3) theoretical grounding, (4) well-defined short term plans, (5) individual development. Management 'should' consist of these elements, but they are absent in Asian management. Because of the lack of these elements, Asian management is often derided, or at least considered exceptional. Management literature therefore considers that Asian management would benefit from implementing western theories. In other words, there is an attitude in literature that maintains that the West has a pedagogical assignment to 'teach' certain models, systems, theories and methods, and which therefore does not take current development and growth in Asia seriously.

3. The Asian Success Story

One can infer from this management literature that the authors share a conviction that Asia has a lot to learn from the West in terms of management. At the same time, the West cannot deny that the Asian economies are growing at an enormous rate.

The tension between the lack of known models, and the explosive growth of Asian economies, leads to skepticism among many about this growth. In this story, the Asian economy is not growing thanks to, but despite its management practices. We speak of these growing economies as a giant on clay feet, as a dragon bursting at the seams, as an elephant on a bicycle, etc. The growth seems accidental and short-term.

Let us try to further describe this tension: we presume that models of management lead to good management, and thus to economic growth. Asia is undergoing exceptional growth, yet the known management models are absent. In an attempt to bring these two facts together, two conclusions arise: (1) the Asian 'boom' is based on coincidence and / or is temporary; (2) the Asian growth is based on specific Asian management practices, which we can describe and learn from.

The second conclusion leads to more interesting approaches. If we look at them closely, we quickly see a number of constraints: there are no terms that allow us to describe Asian

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management. It seems to be the consequence of a combination of coincidence, magic and exceptional people. Therefore, we cannot pinpoint what makes the Asian economy grow so quickly, or what is specific to Asian management, which appears to function without models yet still lead to strong growth. A new avenue opens up, which more and more authors find valuable: it is very difficult to adequately describe what makes management to lead to exceptional results (More on this will follow in section 5).

Many managers still feel the need to resolve their problems and questions, not only in practice, but also in the form of knowledge that can be developed and passed on. Therefore, there are still attempts in culture and management literature to provide a description of the differences between Asian and western management. We will now more closely examine this literature.

4. Asian Management: Snapshots and Vague Theories.

When Japan was undergoing economic growth a few decades ago, one could assume that it was an exceptional or accidental situation. There was no systematic effort to search for explanations that linked together management, culture and economic growth. That changed from the 1980s onwards because of the work of Geert Hofstade, who examined the relation between culture and management in a systematic way.

Hofstade was important for the rising interest of the influence of culture on management, but the economic evolution was obviously also just as important. Today, there is the realization that Asia cannot be ignored on the economic world map. This stands in stark contrast to the starting period of intercultural management literature. Questions concerning the relation between management and economy, and between management and culture, become increasingly important: what properties are specific to Asian management, which allowed it to evolve so quickly and with such flexibility? If there is something specific to Asian management, could we learn from it? If the Western world wants to compete with Asia, do westerners have to familiarize themselves with Asian management practices? And so on.

According to some of the literature, Asians function in a better way in several areas: they are reliable, competitive and deliver on time.

The Indian software industry has been recognized globally for its competitiveness built upon quality attributes such as timeliness and reliability of delivery (Wali et al. 2000, abstract on website).

Furthermore, Chinese employees, for example, only need a rough blueprint that defines some parameters, rather than a clearly defined and precise job description, in order to work successfully. This seems to be very productive, although it does not meet the western expectations of good management.

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In contrast to more traditional, top-down approaches, the [Chinese] assemblers succeed not by preparing detailed design drawings of components and subsystems for their suppliers but by defining only a product's key modules in rough design blueprints and specifying broad performance parameters, such as weight and size. The suppliers take collective responsibility for the detailed design of components and subsystems. Since they are free to improvise within broad limits, they have rapidly cut their costs and improved the quality of their products (Brown and Hagel 2005: abstract on website).

Chinese employees clearly do not need a well-defined plan of action to perform well. On the contrary, they perform better when they are given general instructions or 'blueprints'. Mr Tuinman, a Dutch businessman in India, has similar experiences which he describes as follows:

[I]ntelligent IT-employees meticulously executed a plan for a new website which was given to them. The employees executed every task exactly as was outlined in the plan, without questioning the results of their actions. ... Indians do not think as critically as Westerners do when being asked to perform a task [so Mr. Tuinman] stopped giving detailed plans to his Indian employees. Instead, he rather gave them rough guidelines, which seemed to work far better (Devhas Outreach Session Report, January 2007).

It is also mentioned that both the Indian and Chinese markets function according to 'new management processes':

Emerging markets such as China and India have become breeding grounds for new management processes and practices ... To meet the challenge, established businesses must learn new skills—not least important, an ability to orchestrate complex networks of specialized enterprises (Brown and Hagel 2005: abstract on website).

Or other 'management control systems'.

In the U.S.A., considerable attention has been focused on that country's declining competitiveness in manufacturing ... Critics have attributed this situation, in part, to U.S. firms' management control systems ... In the meantime, firms from the Asian countries have become increasingly dominant in many segments of the world market. This development has prompted U.S. academics and business to study the Asian firms' management control systems, with a view towards transplanting such systems to U.S. firms (Chow et al. 1991: 209).

In other words, the authors see that Asian management is efficient in an unfamiliar way. If they try to describe this, they get stuck in unusable generalities and vague descriptions. They see 'snapshots' of what exists in Asia; they see a glimpse of what is specific to Asian management, but they cannot connect the various elements. There is a realization that a different kind of knowledge exists in Asia, but they cannot pinpoint what that is.

In the search for this different kind of knowledge, the starting point is the existing, western knowledge of management. As mentioned above, this knowledge primarily consists of theoretical models and rules. So the search focuses on *alternative* models and rules, which lead to the Asian 'models' based on family values, the importance of harmony and social relations, and the respect for authority. We will look at each of these descriptions, which seem coherent at first sight.

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4.1. *The family structure or the patriarchy*

One of the most common descriptions of Asian corporate culture is the large 'power distance' in the companies. Employees have a special respect for the boss; the boss does not get involved in the small problems on the work floor, etc. Oddly enough, at the same time one observes a very close bond between the boss and his employees.

The authors try to bring together both experiences in a coherent way. They use the idea of a family structure to comprehend both the great distance in power and the close relations: the organizational structure resembles more a family than the western hierarchy in a company. The employees seem to behave as obedient children; the manager treats them as if they are his children.

By far the most important factor relating to Chinese business is that it is family business. The firm is almost always a family firm, and the boss is a father, *or at least a father-figure*. As a result of this, the organisations themselves tend to revolve around a paternalistic owner/manager ... Another aspect of the informal organisation is the patronage or entourage system, common throughout the East. This operates vertically to tie people together via the exchange of favours and can obviously involve staff outside the family network. In this respect, the superior will 'look after' people he considers 'his' and they in turn will co-operate with working in accordance with his wishes. This can work where connections are close, as between an office supervisor and his clerks, or at a greater distance where the subordinate may simply be a source of useful information (Redding 1982: 107-110, our emphasis).

To describe the manager, the authors rely on concepts such as 'the good patriarch', 'the (grand)father figure', etc. The corporate structure is described as 'one big family'. These concepts seem to bring together some intuitions about Asian management.

Describing management in terms of family structure is not as neutral as may appear at first sight. The following quote illustrates this clearly: the employees are sheep that uncritically follow the leader. They appear as dumb slaves with no will of their own.

[T]he ... implicit model of an organization in [most African and Asian] countries is the (extended) 'family', in which the owner-manager is the omnipotent (grand)-father. It corresponds to large power distance but weak uncertainty avoidance, ... Negandhi and Prasad, two Americans originally from India, quote a senior Indian executive with a Ph.D from a prestigious American university: 'What is most important for me and my department is not what I do or achieve for the company, but whether the Master's favor is bestowed on me... This I have achieved by saying 'yes' to everything the Master says or does ... To contradict him is to look for another job... I left my freedom of thought in Boston.' (Negandhi and Prasad, 1971, p. 128) (Hofstede 1991: 143, emphasis in original).

This quote clearly indicates that an intelligent executive will subject himself to a master. The leader becomes a sovereign, who uses his powers and takes decisions at random. These are also, albeit implicit, assumptions of the more neutral descriptions. For example, the individual seems to have less freedom and is not allowed to have his own opinion. Put sharply: the description of Asian corporate culture in terms of a family structure renders that culture into one that suppresses and damages the integrity of the individual.

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This seems to be the problem of western businessmen in Asia. Tony Vangelabbeek, a Belgian entrepreneur in India, has a very strong feeling that he is pushed into the role of 'the strong boss', and would do injustice to his employees by accepting this role. He has a lot of problems with that, and has had many discussions concerning this subject, both in India and in Belgium.

[His Indian manager] said: "It's a pity, I expected to receive a STRONG boss." This line has been going around in my head since that moment. ... The "boss" concept is still very confusing ... I asked advice here in Belgium, and I can say, that I'm really not at all that bad as a people manager according to the Western criteria. But in India "boss" means something else. What exactly, I still don't have a satisfying view on it. I heard from a professor who is lecturing about India that one of the characteristics of Indian business is: "A boss is still a boss". He meant that the boss is the one who takes decisions and the others follow. His decisions are undoubtable so to speak. And I experience indeed an easiness in the way Indian people just do what I expect from them (Tony Vangelabbeek, Devhas forum, 16 December 2006).

Mr. Vangelabbeek considers the role he thinks he has to play as a negative thing.

This raises an intriguing issue: it seems as though, in Asia, even intelligent people with foreign degrees are turned into obedient slaves by the system, when they are faced with a patriarchal manager. Even foreign entrepreneurs become authoritarian patriarchs in an Asian environment. Some authors believe that these negative descriptions do not reflect reality. They offer an alternative description:

By contrast, the Chinese organisation is dominated by the decision-making of one individual or a very small elite group. It is not normal to collect systematically large quantities of data and analyse them logically. This is not to say that information does not go into the thought process – it undoubtedly does – but *it goes into the head of one man as an accumulated absorption of experience*. The decision-making process itself does not have to be logically justified, or debated openly, and can thus take place by what the outsider would see as intuition. The man making the decision, of course, would say that he had taken everything into account and, by being right, his decision was logical. But insofar as the process is not subject to open analysis, and insofar as responsibility for making 'correct' decisions is a non-issue, there is a difference between this form and the standard Western one (Redding 1982: 107, our emphasis).

The leader is described in terms of personal intuition, special characteristics, etc. with no mention of any 'knowledge' that needs to be developed or passed on. The descriptions rely on some vague notions concerning psychology, personality, etc. of individuals who have leadership. The only alternative, if one does not want to use negative descriptions in terms of obedient subjects and dictatorial leaders, are some vague notions concerning psychology.

This alternative description is not negative, but at the same time not credible. It seems as though it happens by magic: all power seems to be concentrated on one figure, because of which his intuitions and noble characteristics play a huge role in decision-making and management practices in general. In that case, we are forced to conclude that good management results are caused by the personality, intuitions, character, etc. of one person. Again, the resulting descriptions remain a special authoritarian figure, a good patriarch, etc.

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4.2. *Close social relations or collectivism*

In addition to the family structure, there is a second, generally accepted notion that authors use to try and describe the unstructured experience of Asian management: 'collectivism'.

[In India] there is a strong emphasis on collectivism, which means that family and group attainments take precedence over work outcomes (Kanungo and Mendonca, 1994 in Budhwar and Khatri 2001: 805).

Collectivism is explained as loyalty of individuals towards a group, and is placed against the personal motives and ambitions of 'individualistic' cultures. In collectivist cultures, the environment plays an exceptionally large role, not just at home, but also in the corporate world and organization. For example, organizational and psychological 'characteristics' can be illustrated by means of the type of communication and motivation:

In collectivistic cultures, achievement motivation is socially oriented (Triandis, 1995). That is, it does not matter who chooses the task within the in-group; it is just as satisfying and motivating as it is if any of them in the in-group chose the task. Such cultures emphasize context and concern for the feelings of others in the group in their communications (Kim et al., 1994). Previous research has shown that leaders who show consideration for their followers cause their followers to become more attached to the group (Korsgaard et al., 1995). ... The meaning of work is different in collectivistic cultures (Hulin and Triandis, 1981). Collectivists emphasize co-operation, endurance, persistence and obedience (Hui and Villareal, 1989) (Walumbwa and Lawler 2003: 1087).

Long term goals go together with collectivism (Hofstede [1991: 167], uses the term 'confucian dynamism').

[Collectivists] tend to have long-term goal orientations (Hofstede, 1997) leading to long-term commitment to the organization (Bass, 1998) (Walumbwa and Lawler 2003: 1087).

In general, the goals of collectivists are long term, since they see themselves as parts of a chain that includes ancestors (e.g. past employees) and descendants (e.g., future employees). In general, the goals of individualists are short term (e.g., get a good quarterly report) (Triandis in Gannon and Newman 2002: 34-35).

Collectivism also causes an extremely high degree of care and sensitivity for each other.

The Sensitivity Training (T-Group) fashion of the 1960s, the encounter group fashion of the 1970s, and the transactional analysis fashion of the 1980s have all been developed in the USA, the country with the highest Individualism Index score in Table 3.1. Each of them is based on honest and direct sharing of feelings about other people. Such training methods are unfit for use in collectivist cultures. There, sensitivity training is felt to be training in insensitivity; daily life is filled with encounters so that no special groups have to be formed to this purpose. Relationships between people are never seen as 'transactions' between individuals: they are moral in nature, not calculative (Hofstede 1991: 66).

Obviously, collectivism also entails that the individual is subordinate to the group. As a result, the individual has several obligations in social relations that seem too intrusive to western eyes.

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The issue of trust and legitimacy is highly relevant in operating with actors in a collectivist culture. Building trust is a precondition for well-functioning business nets with Chinese or Japanese partners. The Chinese emphasize personal relationships and do not distinguish trust from business situations. ... Individual and family networks are essential for extending business relationships. *Mutual favours* are expected from this network of social relationships, or "guanxi." This concept of personalism and "connections" does in Asia what commercial law does in Western cultures; it reduces uncertainty in business relationships and serves to guarantee new actors' reliability (Nair & Stafford, 1998; Narayan & Rajadhyaksha, 1996; Redding, 1995) (Möller and Svahn 2004: 224, our emphasis).

These social obligations have a big advantage: they structure and constrain the way in which people act, just like western laws and rules do.

[An] aspect was Chinese business dealing. When I arrived in Taiwan, my former boss told me I was lucky: I was set for the first year because he had already signed five contracts for five new stores. Then I started talking with one of our Chinese partners who had signed those contracts, and nothing seemed to be happening. Finally, my assistant told me, 'Just because he signed a 20-year contract 2 years ago with your former boss - a person who is not you - does not mean he will respect the contract.' That was a big shock to me; the contract was notarized and everything. But we started to renegotiate article by article (Child 2006: 73).

There is also a downside to this collectivism story: sensitivity and unity with each other cause practices such as corruption and nepotism.

There is a strong influence of social, cultural, economic and political factors on HRM [Human Resource Management] policies and practices in Indian organizations. At times, selection, promotions and transfers in Indian organizations are based on ascribed status and social and political connections. ... Similarly, Sharma (1984: 80) reported that staffing in Indian organizations is primarily governed by familial, communal and political considerations. Motivational tools in Indian organizations are more likely to be social, interpersonal and even spiritual. In such conditions, the employees' orientation is towards personalized relationships rather than towards performance (Kanungo and Mendonca, 1994: 450). ... rules regarding practices such as recruitment, training, promotions and lay-off are ad hoc in nature and subject to easy manipulations by the employers (Venkata Ratnam, 1995). For example, social and political pressures significantly tamper with and influence selection and promotion decisions (Kanungo and Mendonca, 1994; Sparrow and Budhwar, 1997) (Budhwar and Khatri 2001: 805-806).

The authors do not use the words 'corruption' and 'nepotism', but their description of the reasoning behind hiring, promoting and firing employees in terms of 'easy manipulation' and 'influence' do indicate in that direction: instead of clear rules, people in India seem to demand certain 'values'. These values are connected to the social and political environment of those who take decisions. And when there is a lack of rules, that environment can exert an unseemly influence in the decision-making process.

S.G. Redding for example, notices that the social relations in Asia do not meet the western patterns of expectations. Although he realizes that the description of corruption is related to the western experience, his account does not escape the idea of corruption. At best, he says that we cannot be ethnocentric in our assessment of corruption.

Such perceptions [of Chinese ethics] explain much of what the Westerner sees as corruption, or the exerting of other forms of 'undue influence'. To suggest that their operation is due to lax morals is

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to be naively ethnocentric. It is more appropriate to see the basis of morality as different, to see it with more of a shame than a guilt mechanism, to appreciate the humanist ends which it serves, and *then* to debate its appropriateness. To attack it head-on, like a missionary, may be very satisfying but in the end unsuccessful (Redding 1982: 112).

Generally speaking, even though these authors see the value of the importance given to social relations in Asian management, they often end up construing the role of social relations as an unseemly influence, which basically means structural corruption, nepotism and cronyism. The western experience of Asian management is of one that relies on people putting their own interests first, and who can be manipulated through political or social pressure.

4.3. *Lacking control structures or flexibility*

There is a third avenue through which management literature tries to understand Asian management culture, namely by means of 'control systems'. In the US and Europe, managers institute control systems for evaluating employees' performance, for the budget and for purchasing, stock and production quality. In other words, they try to use objective models to get to grips with all aspects of a company's activities.

The Chinese do not normally adopt the range of decision-making techniques based on management information, which are so commonly described in management text books. Such Western techniques are founded on the assumption that logical extrapolation of the facts will lead to a view of future options from which a rational choice can be made. In such a thought-process, probability judgements are used and are usually based on the reading of certain facts. *The Western corporation typically collects vast quantities of information, analyses it, works with it in mind, and holds people to account for what they do as a result of it* (Redding 1982: 107, our emphasis).

The lack of these models in Asia causes a lot problems for western managers, yet the other way around is also a serious problem. An Asian company that tries to apply its methods in the West faces equally great problems. S. Mark Young describes the reactions in the US to Japanese corporate culture:

Firms implementing Japanese manufacturing practices have either tried to develop a [specifically Japanese] control environment in the United States or have tried simply to impose manufacturing practices in a [specifically American] control environment. As a result, many problems relating to plant location, union job classifications and work rules, greater reliance on teamwork, and worker empowerment arose (Young 1992: 690).

Furthermore, the rise of Japanese companies in the US caused one of the foremost labor unions to make changes to its rules.

In the U.S. auto industry, the UAW [United Automobile Workers] has loosened its hold on the number of job classifications and the kinds of work rules that it will accept. Part of the reason for this change is that since 1979 the UAW has lost more than 400,000 members (*Forbes*, 1987). It could be that those automobile plants (both Japanese-owned and the U.S.-Japan joint ventures) in which the UAW has been unsuccessful at gaining control have a predominance of employees who do subscribe to [the specifically Japanese control environment] (Young 1992: 691).

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The most important problem arising from the contact of western control mechanisms and the Japanese methods, is talked about in terms of the shift of power. Young describes that the power shifts 'away from the management', and causes an 'empowerment of the work force'.

Another difficult issue for many American workers to understand is the power shifting that can occur among employees. Chapman (1984) suggested that both first- and middle-line managers may resist Japanese practices when they realize that they are losing power due to the increased ability of workers to make decisions. ... The implications of this are pointed out by Hudson (1988), who reported that at a Ford plant in the United Kingdom (where a [Japanese] application had recently been implemented), management worried about the new empowerment of the work force. These managers believed that without large stockpiles of parts and other inventories, a workers' strike could cripple the firm (Young 1992: 692).

The lower levels of the so-called very hierarchal Asian company structures carry, in a certain way, a lot of responsibility for making the company function properly. Is this observation not in conflict with the description of the Asian patriarch and the obedience of the employees?

This question is rarely tackled. Young does try to understand what takes the place of western objective measurement systems in Japanese companies, and what its impact is on the production process. He refers to the training Japanese employees receive, whereby a lot of attention is given to the responsibility of quality control and the production process as a whole. As a result, employees exhibit a large flexibility in assuming different kinds of duties.

Workers are taught to act cooperatively and are cross-trained so that they can perform all tasks in their group. This cross-training provides them with greater flexibility. Each worker is held personally responsible for the quality of the subassembly he or she produces and the orderliness and cleanliness of his or her work station (Young 1992: 683).

This executive responsibility and flexibility even replace western control and inspection systems.

Kaizen [continuous improvement] instills in the worker the habit of continually improving the production process and reducing waste. According to the TQC [Total Quality Control] system, workers are trained to halt production if a defect is found and to resolve all problems immediately. TQC also encompasses methods such as statistical process control (SPC) and eliminates the need for a separate quality inspection department (Young 1992: 683, emphasis in the original).

The example of a labor union is very apt here: in the US, very clear job descriptions determine the entire production process, and labor unions guard very closely that these are followed. This is completely opposite to the Japanese way of working, whereby one person assumes different duties and responsibilities according to the needs of the production process.

Drucker (1987) discussed the problem of existing union work rules and job classifications and the implementation of [Japanese] JIT [Just In Time] systems. Because union rules forbid workers from performing tasks that are not in their job description, workers must wait until the appropriately classified worker is available to work. Such rules hold up production and complicate the implementation of cross-training. For example, McCune and his colleagues (1988) cited a UAW [United Automobile Workers] contract that called for three workers with different job classification to move parts to the assembly plant at the American Motors Jeep plant. At Honda, only one cross-trained "associate" is needed to perform the same task (Young 1992: 691).

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There is a very clear relation between responsibility and flexibility in the Japanese system: each employee must potentially be able to assume every duty in the production process. This is impossible if the job description is very clearly defined. The stricter the job description, the more unlikely that an employee will assume responsibility where needed, and the less flexible that employee will be.

In Japan, the responsibility for control on the production process lies at an unexpected level from the western perspective. In other words, a structure is possible in which people on a low level have executive authority to take decisions that would only be expected on the policy level. This way of working replaces the known control and decision systems. Young has a lot of difficulty describing this phenomenon, and can only resort to anecdotes on the one hand, and vague terms such as cross-training, JIT and the Japanese term 'kaizen'. Still, this way of working is important to understand, he argues, and considers it a value that, due to its simplicity and flexibility, can provide an important competitive edge.

[B]ecause users of a [Japanese] JIT [Just In Time] system require no physical counts of inventory, have no WIP inventory, use few to no purchase orders, make no hard copy reports for shipping and receiving, and do not need traditional labor reporting and variance analysis, they can design very simplified cost management systems (Foster & Horngren, 1988) (Young 1992: 693).

Many authors contend that Asian 'control systems' are simple and quick, but do not go beyond this statement. On top of that, the majority of authors sees this way of working as signifying the lack of an overarching system, and too much responsibility for low-level employees. Aminpour, for example, describes quality control in China as follows:

Quality control at each stage of production [in Chinese factories] relies mainly on the experience of individual workers, not on rigorous and widely used statistical tools ... , which are poorly understood and incorrectly applied in China, so that defect rates are high (Aminpour et al. 2006: 109).

When the Indian company Crompton Greaves acquired the Belgian company Pauwels in February 2005, it became apparent that alternative methods of control were also common in India, not just in terms of production process and human resources, but also in terms of the budget. The Belgian employees were completely amazed about the Indian way of working: the Indian representative made a financial evaluation without basing it on any objective measurement.

Crompton Greaves recently sent an Indian auditor to Belgium to check the finances at Pauwels. He walked around asking questions to the Belgian employees. There were two striking aspects to this: 1) he asked questions concerning their wages and car, and on occasion dropped comments like 'aren't you paid too much?' or 'shouldn't you drive another car?'; 2) he requested specific numbers from the finance division there. He made some mental calculations on the spot concerning the financial situation, which seemed to be correct. (Conversation with Dirk Becquart, head of commerce Port of Ghent, at the new year's reception BICC&I, January 12th, 2007) (our translation from Dutch)

We discover a contrast concerning the distribution of responsibilities and control systems in Asian companies: on the one hand, there are negative descriptions – the responsibilities in

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Asian companies lie at the wrong level, average employees have too little knowledge and too much responsibility, ... - ; and on the other hand, there are descriptions that express amazement about the 'Asian' form of flexibility precisely because of the large amount of responsibility at the lower echelons, rendering a rigid evaluation system unnecessary.

Although the second approach contains some interesting observations, the coherence is lacking. There is no explanation how such a system could work, what the preconditions are, etc. The so-called explanations that are given, take the following form: instead of western norms such as 'clear job description', there is the Asian 'norm' of *kaizen*, which means 'continuous improvement'. This term doesn't do anything more than describe the goal of continuous improvement, and indicates that there is a flexible way of working. In other words, there is no framework to describe Asian management in a coherent way, without adding elements of mysticism to it.

4.4. Summary of the snapshots

In the descriptions of Asian management, there is a combination of two approaches. The first describes how management should be. There is a search for rules, job descriptions, models, systems, etc. Although the authors never explicitly say so, the reader gets the impression that Asian management is not at all how it should be, and that Asian companies and managers should better implement western management techniques.

The second approach tries to understand the reasons and methods behind the recent Asian success. Several new elements are brought up, like a different kind of relation between managers and employees, unexpected responsibilities of the employees and exceptional flexibility during the production process. Both descriptions sometimes occur in the same article.

However, neither of these descriptions makes Asian management intelligible. The first describes it as a chaotic and even immoral structure; the second ascribes to it special, mysterious and even mystic characteristics. These do not provide any insight into management practices.

We do see today that the classical approach to management is often questioned, also in the West. Strangely enough, the new kind of description of management exhibits the same characteristics as Asian management. Excellent management also seems like magic: it is ascribed to the capacities of an exceptional individual. Let us briefly review some of the new approaches.

5. The Magic of Excellent Management

The descriptions of how excellent management can be achieved in the West, suffer from the same set of problems as the descriptions with Asian management. They describe what

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happens in terms of the lack of system, or in terms of what one person – the manager, who has an extraordinary insight into the needs of his company and the economy - is thinking. Based on that, the advice is given that the leader should have an inspiring story and / or should be able to change course quickly based on his experience:

What's frequently missing [in a merging process] is a well-defined role for the leadership team - a role that complements the technical efforts of the integration team and focuses on intangible (and often unexpected) issues. The key challenges for the CEO are rapidly creating a cohesive and well-functioning top team, developing an inspiring 'story' to drive the communications effort, shaping a strong performance culture, actively championing the interests of external stakeholders, and balancing quick moves with wisdom gained from experience (Fubini et al. 2006: 30).

Also important is that a good leader should be able to deal with uncertainty, and be prepared to take risks.

[I]n the business world success is the result of decisions made under conditions of uncertainty and shaped in part by factors outside our control (Rozenzweig 2007: 78).

These are perhaps useful tips, but they cannot serve as explanations. They do not allow us to gain insight into the type of knowledge these people develop, and how it is passed on and could be passed on. This also raises questions about the education at management schools: young, promising entrepreneurs are still only taught theoretical models and objective measurement instruments, as though these are the only tools of good management. Aren't they being misled, or even discouraged, to manage in a creative way? Can courses such as these really produce excellent managers, or put even more sharply, are they the best tools to train managers? Some authors seem to think this is a very acute problem:

Peters and Waterman in *In Search of Excellence* hit the nail on the head with their critique of "the rational model" and "paralysis through analysis". Western analytical thinking (taking a phenomenon to pieces) and rationally reckoning the consequences before you act have led to many international successes in fields of technology. Indeed, technologies do work by the same universal rules everywhere, even on the moon. Yet the very success of the universalistic philosophy now threatens to become a handicap when applied to interactions between human beings from different cultures (Trompenaars and Hampden-Turner 2005: 3-4, emphasis in the original).

The most recent literature about excellence in management does indicate more and more that clear guidelines and systems are lacking, or those that exist obstruct 'excellent management' on important moments. Structure and clear rules are seen as wrong goals.

[M]any executives ... look in the wrong places for the insights that will deliver an edge. Too often they reach for books and articles that promise a reliable path to high performance. ... At first glance, many of the pronouncements in such works look entirely credible. They are based on extensive data and appear to be the result of rigorous analysis. Millions of managers read them, eager to apply these keys to success to their own companies. ... [T]hey give rise to the especially grievous notion that business success follows predictably from implementing a few key steps (Rozenzweig 2007: 77-78).

Following a step by step plan and theoretical models from management literature is strongly discouraged if one wants to achieve something extra. Thorough research and

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analyses do not seem to work when applied to reality, and often even lead to wrong decisions.

Too much centralization is also discouraged, as it forms a constraint rather than a stimulus. The advice is to delegate decision-making to the lowest possible level. Recent studies indicate that centralization and smooth management do not mix well:

Almost nine in ten executives say organizational speed and agility have become increasingly urgent issues for them over the past five years ... When asked to pick the top two barriers to speed and agility, 50 percent of respondents select 'overly centralized, slow, and complex decision making' ... When invited to cite the two organizational elements that contribute most to speed and agility, executives chose the alignment of company strategy and individual employees' performance goals and the delegation of decision-making authority *as far down the organization as possible* (Miranda and Kiko 2007: 14, our emphasis).

Although Miranda and Kiko point to something interesting, the description remains too vague. We can summarize their arguments in two ways: either they are talking about a corporate structure with clear job descriptions and clear delegation of authority, which is a very familiar corporate structure in the West. Or they point to something they have noticed in Asia, but then the function of a leader is unclear.

There seems to be no written knowledge of what good and excellent management consists of. Many sense some of the important issues and try to put these into words. Frequently recurring themes are the importance of an experienced leader, and a flexible structure. These concepts remain vague, and are simply snapshots, just like the descriptions of Asian management.

6. General Conclusion

If we try to describe Asian management, we arrive at descriptions with unsatisfying implications: they almost always lead either to a moral condemnation of the Asian way of working, or to the conclusion that Asian management is mysterious and cannot be described. The snapshots that are taken, are not related to each other and do not form a coherent whole. The most important question that arises from this is how intelligent people, who have lived and worked in Asia for years, cannot find an alternate kind of description. More research is required to delve deeper into these questions: What is the problem with the 'decision lines' or the 'distribution of power'? Why are we forced to see corruption in Asian business relations? Why do we describe flexibility so often in terms of chaos?

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