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Cultural Adaptation of Expatriate Managers
in Foreign Banks in London

BY

MOSHE BANAI BA, MSc

Thesis submitted to the University of London in fulfilment
of the requirements for the award of the
degree of Doctor of Philosophy

London Graduate School of Business Studies - 1985

To my wife RACHEL

ABSTRACT

The research attempts to answer the question whether bank managers who are transferred from HQ in their parent countries to subsidiaries in foreign countries change their managerial behaviour.

Four dimensions of managerial behaviour were analysed; Power Distance, Uncertainty Avoidance, Individualism and Masculinity (Hofstede 1980). Three general theories were used in order to describe, explain and predict changes in behaviour of expatriate managers. They were Socialisation Theory (Pfeffer 1982), Role Theory (Katz and Kahn 1978) and Power Theory (McClelland 1957, Mulder 1977).

The managerial behaviour of HQ executives in multinational banks in New York, Amsterdam and Tel Aviv was compared with the behaviour of their colleague expatriates and British managers in the subsidiaries of the same banks in London.

256 questionnaires were detained, and a statistical analysis was conducted in order to reveal similarities and differences between the three groups of managers.

The findings suggest that expatriate managers decrease their scores on Power Distance, Uncertainty Avoidance, Individualism and Masculinity upon international transfer from the United States, Holland and Israel to Great Britain. In addition, they change some of their attitudes towards their task environment. However, they do not change their general values.

The role of the managers (expatriate managers or HQ officials) can best predict their managerial behaviour. Socialisation in the parent country - which was measured through the variable of Nationality, or socialisation in the host country - which was measured through the variable of Length of Service in the host country - were found to be less predictive than the role of the manager. The 'power position' was found to be the least predictive factor in analysing the change in managerial behaviour of expatriate managers.

Key Words

Adaptation

Banking

Behaviour Change

Culture

Expatriate Manager

International Personnel Management

Power

Role

Socialisation

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Chapter 1: I N T R O D U C T I O N

1. The Goal of the Study and its Potential Contribution

The purpose of this study is to find out whether bank managers, who are transferred from headquarters (HQs) in their parent countries to subsidiaries in foreign countries, change their managerial behaviour. This specific question is connected to the much wider issue of intercultural transition of managers.

Existing research literature is limited in its ability to answer the question. However, three different theories seem to be relevant to the research question:

- i. Socialisation Theory
- ii. Role Theory, and
- iii. Power Theory

These three background theories are not specifically focused on the current subject matter. They are not mutually exclusive and employ different frameworks in order to describe, explain and predict behaviour in organisations. In order to cope with the research question, these three theories are described, analysed and integrated in the following chapters.

Since those theories have not previously focused on the subject of cultural adaptation of expatriate managers, this study aims to find out which theory describes, explains and predicts best what actually happens to expatriate managers in the banking industry. This is a necessary justification for the present study, but not a sufficient one.

The description of the exact nature of the adaptation of managers in foreign subsidiaries is only a first necessary stage in establishing a theory on the subject. A theory, by definition, must have the capacity to describe, explain and predict a phenomenon. The description of similarities and differences in patterns of a social phenomenon is another vital step in any further explanation (Merton 1957; Child 1981A). The explanation will then make it feasible to consider prediction.

Currently, multinational corporations (MNCs) are not able to predict what aspects of their managerial behaviour expatriate managers will tend to change, and what aspects will not. In having access to this data MNCs will be in a better position to make correct decisions regarding their international personnel staffing policies. Knowledge of the differences in the behaviour of managers when working in their parent countries and in host countries, could serve as a useful tool in (a) establishing desired international personnel staffing policies and (b) in improving processes of selection and training of expatriate managers in ethnocentric, regiocentric and geocentric MNCs (Heenan and Perlmutter 1979).

In addition to the potential contribution of the present study to scholars and practitioners, the findings and conclusions would hopefully contribute to the predictive power of the theories which are applied here.

2. The Industry

The research was conducted in the Banking Industry in London. The practice of banking, which is rooted in antiquity, has similar basic characteristics in different countries. It processes one main medium (money or money substitutes), its technology is of a mediating nature and its stability is inherent in the service.

Therefore the different patterns of behaviour found in managers in different countries could be related to cultural differences, assuming that many - but not all - of the general environment variables are controlled.

Other reasons for sampling managers in banks are, the availability of international banks in London (more than 400 of them are currently represented in one form or another in the City of London) and their current tendency to send many expatriate managers to key positions in the London subsidiaries. This availability of expatriate bank managers in London, which is not to be found in many other industries, makes it feasible to conduct a statistical study of expatriate managers' behaviour.

3. Research Method

The research question asks about change of behaviour of managers who are internationally and interculturally transferred. The way to answer the question is to take measures of managerial behaviour at two points in time. (1) Before the intercultural transfer has taken place, and (2) After the expatriate managers have been appointed to their new positions in the host country. Since it is difficult to measure behaviour of the same managers at two points in time, behaviour of managers at HQs of banks in the parent country is measured and compared to behaviour of their peer expatriate managers who were appointed to subsidiaries of the same banks in the host country.

The 256 managers sampled are of different nationalities: American (74), Dutch (23) Israeli (32) and British (127 - 86 in subsidiaries of foreign banks in London, 28 in a British bank in London and 13 British expatriate managers in U.S.). For each nationality there is a group of HQ officials and a group of expatriate managers. Behaviour of these groups is measured, and similarities and differences are identified. In addition, the behaviour of these two groups of managers is compared to the behaviour of British managers in the same subsidiaries as well as British managers in a British bank.

All managers are in lower-middle to upper levels of the hierarchy.

The independent operational variables are:

- A) Nationality of the manager- American, British, Dutch and Israeli.
- B) Length of service of expatriate managers in the host country- No. of years.
- C) Type of manager - HQ officials, expatriates and host country nationals in subsidiaries of foreign banks.
- D) Position in the hierarchy- upper, upper-middle, and lower middle levels.

The dependent variable - managerial attitude - is measured through the operational measurements of the four dimensions of culture proposed by Hofstede (1980):-

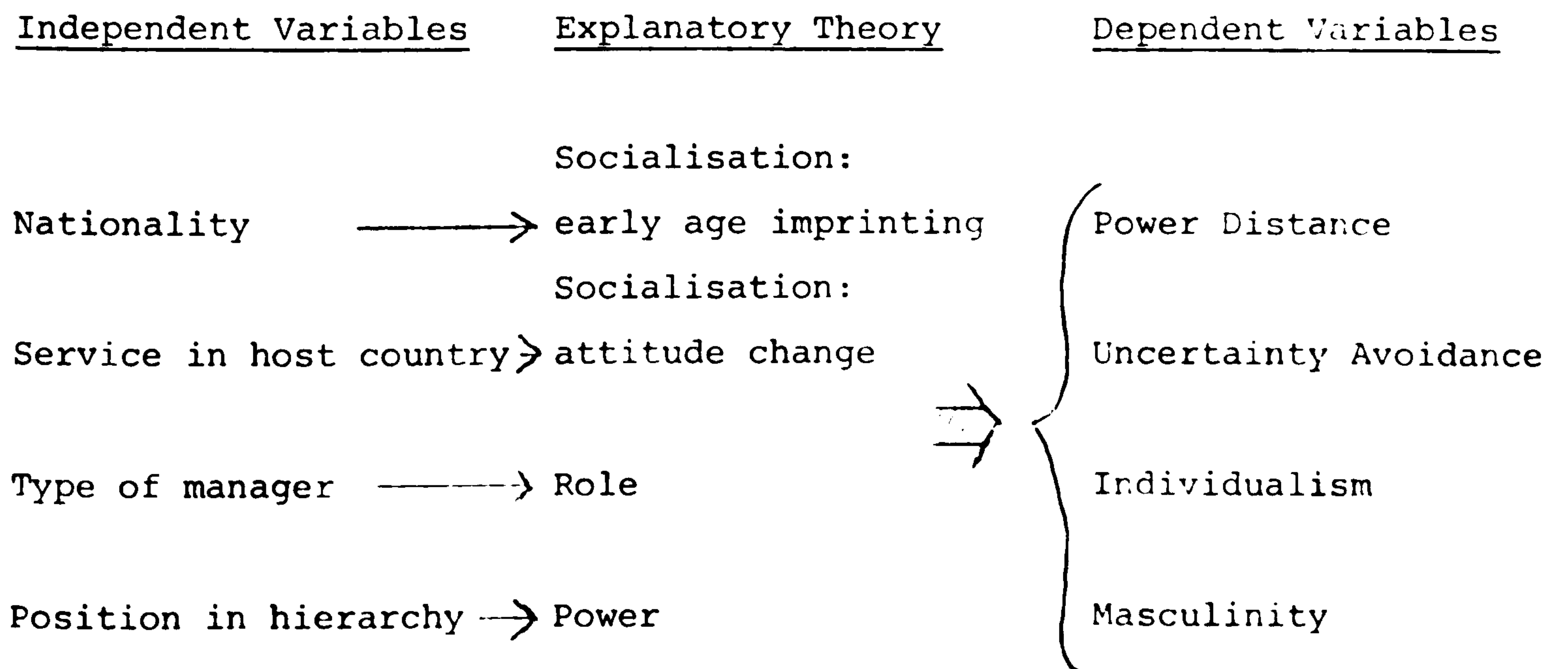
- A) Power Distance - The difference between the extent to which the Boss can determine the behaviour of subordinate and the extent to which subordinate can determine the behaviour of Boss.
- B) Uncertainty Avoidance - Behaviour which is directed towards increasing the level of certainty of one's immediate environment.
- C) Individualism - Freedom that individuals sustain in their relationship with society.
- D) Masculinity - Dominant sex role patterns in societies - that of male assertiveness and female nurturance.

The explanatory theories which are applied in order to explain the effects of the independent variables on the dependent variables are:

- A) The effect of the nationality of managers on their managerial behaviour in the parent countries is explained by the theory of Socialisation - behaviour programming at an early age - culture as a personality trait.
- B) The effect of length of service of expatriates in the host country on their managerial behaviour is explained by the theory of Socialisation - attitude change - reaction to culture.
- C) The effect of type of manager - HQ official, Expatriate or Host Country Manager on managerial behaviour is explained by Role theory.
- D) The effect of the position of managers in the hierarchical level on their managerial behaviour is explained by the theory of power.

The research model is presented in Figure 1.1:

Figure 1.1: The Research Model



The research model is elaborated below. Each one of the independent, explanatory and dependent variables is shortly described and analysed.

4. The Independent Variables

A. Nationality

Nationality is the most frequently used surrogate definition for culture. In most of the comparative management studies, national boundaries or type of passport are implicitly accepted as operational definitions of culturally distinct units (Adler 1982; p. 20). There is a debate in the literature (Roberts 1970) whether populations within a national boundary could be considered as culturally homogenous. In many cases no distinctions have been made between religion, mother-tongue or ethnic origin of groups of managers who are cross-culturally compared. However, because nationality was used in Hofstede's study as an independent variable along which cultures could be classified, it is also used here as an independent variable in order to allow a test of Hofstede's theory of culture.

B. Length of Service in the Host Country

Any change in behaviour must be measured over time. Length of service of expatriate managers in the host countries was used by Torbiorn (1982) as the main variable along which he measured their adjustment as reaction to culture. He found that expatriate manager satisfaction could be presented as a U curve function of their length of service in the host country. Hence, length of service in the host country is adopted here as an independent variable which affects the reaction of expatriate managers to the host culture.

C. Type of Managers

Multinational Corporations (MNCs) which adhere to ethnocentric or regiocentric staffing policies (Perlmutter and Heenan 1974) differ from uni-national corporations in the structure of their management.

While in single-nation organisations managers, in general, belong to the same system, MNCs' personnel operate in three different organisational sub-systems. HQs' officials work for the parent organisation in the parent country. Host-country managers function in subsidiaries of the parent organisation in the host country. Expatriate managers function as satellites of the first sub-system in the second sub-system. This unique structure has been widely studied by scholars who found that the attitudes and problems of these three groups of managers are influenced by their different environments (i.e. Perlmutter and Heenan 1974; Zeira, Harari & Izraeli-Nundi 1975; Zeira & Banai 1985). Hence, "role of managers" (HQ officials, expatriate managers and host country managers) is included in the present study as one of the variables affecting managers' behaviour.

D. Position in the Hierarchy

It was found by Alpander (1973) that expatriate managers tend to change their managerial style from a participative one in the parent country to a more authoritarian one in the host country. This finding raised the question whether the change described here is a result of the expatriates' promotion in the organisational ladder from a position of "small fish in a big pond" at HQ to a position of "big fish in a small pond" in the subsidiary.

In order to answer that question, the position of managers in the hierarchy is used in the present study as an independent variable which affects expatriate managers' style of management in the host countries.

5. The Explanatory Variables - Three Theories of Adaptation of Expatriate Managers: Socialisation, Role and Power

A. Socialisation Theory

Socialisation Theory describes the nature of assimilation of patterns of cultural norms (Hofstede 1980; P. 15). According to this theory, people's cultural behaviour is comprised of three elements:

- 1) The universal patterns which are common to all human beings. These patterns include the affective component of human behaviour. They are partly inherited, partly learned. Since they are universal and there is no need for them to change, they tend not to change. (Morris 1968; Lorenz 1970).
- 2) The collective patterns that characterise patterns of behaviour which are normative among groups of people (nations). These patterns include the cognitive component of human behaviour and are learned. Therefore collective patterns of behaviour could be changed if the right learning situation is provided (Triandis 1972).
- 3) The individual patterns of behaviour which are unique to each individual. Those are the result of the interweaving of the two other components of behaviour and the learning history of the individual. Patterns of behaviour of the individual are changeable (Sears 1951).

The theory explains that human beings acquire their patterns of cultural behaviour through a process of early age programming which does not tend to change during their lifetime (Hofstede 1980; p. 14). The theory predicts therefore, that under normal circumstances, adults are unlikely to change fundamental characteristics of their collective behaviour. It is only, for example, under conditions of conquest or deportation that people change their collective patterns of behaviour.

The application of the Socialisation Theory to expatriate managers in transition, suggests that as a result of early age programming, expatriate managers have fairly rigid patterns of collective behaviour which are very difficult to change. Therefore, the theory predicts that expatriate managers will not change some of their more fundamental patterns of behaviour as a result of an international job transfer. However, they will tend to react to the new host culture and to change some of their patterns of managerial behaviour in order to adjust them to the norms in the host country (Haire, Ghiselli & Porter 1966; Nath 1968; Davis 1971; Torbiorn 1982; Lee & Larwood 1983).

B. Role Theory

Role theory (Katz and Kahn 1978) describes the role set of people in organisations. The role set is a combination of several role senders who send their expectations to focal persons. The expectations which are transmitted to the focal person attempt to describe what patterns of behaviour are expected of him/her in order to satisfy the role senders. The theory describes situations in which the focal person is faced with conflicting expectations by different role senders or by different role sets. This situation is a 'role conflict'. Sometimes the focal person is faced with unclear expectations, i.e. 'role ambiguity' (Katz & Kahn 1978; p. 426).

One of the sovereign criteria for organisational effectiveness is the organisation's survival. For example, Seashore & Yuchtman (1967) define effectiveness as the organisation's "ability to exploit its environments in the acquisition of scarce and valued resources to sustain its functioning" (p. 393).

Because the organisation consists of the patterned and motivated acts of human beings, it will continue to exist only so long as the attitudes, beliefs, perceptions, habits and expectations of human beings evoke the required motivation and behaviour (Katz & Kahn 1978; p. 187).

The focal persons must meet some of their role senders' expectations in order to be effective. When the focal person does not meet the role senders' expectations, a re-definition of the role occurs.

The application of role theory to the role of expatriate managers suggests that expatriate managers sometimes have dual or even multiple role sets (Torbiorn 1982). One role set is embedded in the home country and includes:

- 1) Immediate environment - members of the family and close friends who have been left behind.

2) Task environment (Dill 1958) - HQ officials, customers, shareholders, suppliers, representatives of the trade unions, competitors, government officials, representatives of the media.

3) General environment (Hall 1972)- Cultural values and norms, technological developments, level of education, natural resources, political, legal, demographic, sociological and economic systems.

The other role set is based in the host country and includes:

1) Immediate environment - members of the family who accompanied the expatriate managers to the host country and close friends.

2) Task environment - superiors, peers and subordinates, and all the components which were mentioned before except that they are embedded in the host country.

3) General environment - as mentioned above regarding the home country, but this time they are host country systems.

In some cases expatriate managers in host countries have colleagues and customers, with whom they communicate and deal, who are located in a third country. In this case the managers face multiple role sets.

On the basis of the role theory it is possible to predict that in order to be effective in their roles in the host countries, expatriate managers must adjust their behaviour to the expectations of their relevant role sets in the home, host and sometimes third countries.

C. Power Theory

Power theory (McClelland 1961; 1975) describes power as one of the dominating needs of human beings and as such one of the strongest motivators of human behaviour. The power motive is developed as people become more mature. In the early stages of maturing, power motivation is low, and expresses itself in ways having little to do with others (ie more internally and less socially).

In later stages, the power motive is coupled with low affiliation motivation. In these stages, people seek to satisfy the power needs by dominating others. The theory describes four levels of development of power motivation in individuals, and suggests that people must experience one stage to reach the next.

The theory predicts that managers are efficient in their positions when an appropriate match is attained between the stage of development of their power motive and their level in the organisation and function. It also predicts that managers who climb the organisational hierarchy and simultaneously develop the desired patterns of motivation, are more efficient in their jobs than managers who cannot present similar simultaneous development. In addition it predicts that managers in integrating positions need more affiliation motivation and less power motivation. Managers in highly structured managerial jobs will be more efficient in their role if they develop more of the power motive and less of the affiliation motive.

When applied to the question in focus, the power theory would predict that most expatriate managers agree to be internationally transferred in order to increase the satisfaction of their needs. Accordingly, expatriate managers in top executive positions tend to increase the fulfilment of their need for power in host countries. They adopt a more autocratic style of leadership than their previous style in the home countries (Alpander 1973). Since not all managers are in the same stages of maturity development, the theory predicts that the tendency to adopt a more autocratic style of leadership will prevail more among higher level expatriate managers than among upper middle level expatriate managers.

D. Summary of the Three Explanatory Theories

The three theories and their descriptions, explanations and predictions are summarised in Figure 1.2.

Figure 1.2: The Behaviour of Expatriate Managers in the Subsidiaries of International Banks - Three Theories.

<u>THEORY</u>	<u>DESCRIPTION</u>	<u>EXPLANATION</u>	<u>PREDICTION</u>
Socialisation	Early age programming of patterns of individual, collective and universal behaviour	Changes in some aspects of individual behaviour in a collective	Change towards normative patterns of behaviour in the host country
Role	Role set, Role Conflict and Role ambiguity	Need to adjust to dual role set in home and host environment	Change towards the expectations of the dominant role set
Power	Development of the need for power	Irresistability of the human need to acquire more power	Change towards acquiring more power

6. The Dependent Variable: Managers' Behaviour

Hofstede's theory of the four dimensions of culture (1980) is used to measure the adaptation of managers to their host environments. The theory defines four collective dimensions of organisational behaviour, each of which has two poles. The dimensions are Power Distance (high vs low), Uncertainty Avoidance (high vs low), Individualism (vs Collectivism) and Masculinity (vs Femininity). The theory explains that since the four dimensions are universal to formal organisations in all societies each nation has a score on each of the four dimensions. The profile of the four scores represents the country's culture. Since all countries' scores are measured on the same four dimensions, they can be classified along these dimensions.

The variables which were used by Hofstede to measure the four dimensions of culture are replicated in this study and used as the dependent variables.

7. Summary

The study attempts to answer the question whether expatriate bank managers change their managerial behaviour as a result of their international transfer. In the following chapter (No. 2) a detailed description of the banking industry is presented in order to understand the industrial environment within which the managers operate. In chapters 3, 4 and 5 - three general theories - Socialisation, Role and Power are presented in order to describe, explain and predict managers' behaviour. In the next chapter (No. 6) managerial behaviour is operationally defined by using Hofstede's four dimensions of culture which have been claimed by him to be universal, and therefore can be legitimately used in the present cross-cultural study. The relationship between the dependent variable - managerial behaviour and the independent variables - Nationality, Length of Service in the host country, Role of Managers and Hierarchical Position are proposed in a way of a set of hypotheses (ch. 7). The research methodology is presented in chapter 8 followed by the findings (ch. 9) and discussion and conclusions (ch. 10).

Chapter 2: THE BANKING INDUSTRY

Since the study was conducted in the banking industry it would be useful to give a short description of the main characteristics of this industry. A definition of the banking business is presented below.

Banks deal in money and money substitutes and provide a range of financial services. In a formal sense, a bank borrows or receives "deposits" from governments, firms and individuals. On the basis of these resources, it makes "loans" to others or purchases securities which are listed as "investments". In general, it covers its expenses and earns its profits by borrowing at a rate of interest lower than its lending rate. In addition, commissions may be charged for services rendered (Wilson 1968).

The banks' main characteristics are presented in two parts: part one presents similarities and part two presents differences between banks. The differences are demonstrated in the context of international banking because:

- a) Differences between banks are salient in international banking; and
- b) The study has been conducted in international banks.

1. Similarities

A. Origins

The first known banking activity was the drawing up of the code of Hamurabi, by King Hamurabi the founder of the Babylonian Empire (1728-1686 BC). This code is one of the most important documents of that period. Bank operations by temples and great landowners had become so numerous and so important that the King thought it necessary to lay down standard rules of procedures. The code contains about 150 paragraphs which deal with nearly all cases arising from loans, interest, pledges, guarantees, the presence or absence of evidence, natural accidents, loss and theft.

In Greece by the 4th century B.C. financial activities were being performed by the temples, by public bodies and by private firms. These firms accepted deposits, made loans, tested and changed coins and arranged credit transactions between cities.

The Greek system was imported to Hellenistic Egypt and also influenced Rome. The decline of trade after the breakup of the Roman Empire made banking facilities less necessary and, at the same time, usury loans imposed restraints on lending. Records from Genoa and other Italian cities go back to the 12th century but it is not until the 13th century that a large volume of evidence is available. ("Banking" - Encyclopaedia Britannica). In the 13th Century, the Knights Templar of the crusades emerged as Europe's most important financial power. It is from them that many of the banking services developed today, at least in rough prototype (Rockefeller 1964; p. 4).

B. Centrality to Life

Today, all over the world, banks are more than ever essential to the running of the economy. Banking depends closely on progress made in industrial and commercial techniques and on the circumstances in which it is employed. The evolution of the modern economy necessitated the development of the banking system. It also compelled an adaptation to the multiple and changing imperatives of the political economy.

C. Technology

Traditionally, banks are classified as having mediating technology. Thompson (1967) classified types of technology on the basis of the degree of task interdependence. One of his classified technologies is the mediating technology. It involves the linking of clients or customers who are or wish to be interdependent. The dominant form of workflow interdependence in these organisations is pooled; each part renders a discreet contribution to the whole part of the system. Mediating technological systems are relatively independent of one another, placing few demands on co-ordinative processes.

With relatively low demands on decision making and communication, organisations operating with mediating technologies are most effective if they adopt a relatively bureaucratic structure incorporating standardisation as the dominant or integrative mechanism (Thompson 1967).

Thompson argues that "the commercial bank must find and aggregate deposits from diverse depositors; but however diverse the depositors, the transactions must conform to standard terms and to uniform book-keeping and accounting procedures. Banks also need borrowers, but no matter how varied their needs or desires, loans must be made according to standardised criteria on terms uniformly applied to the category appropriate to the particular borrower. Poor risks which receive favoured treatment jeopardise bank solvency" (p. 16). Bureaucratic or mechanistic techniques of categorisation and impersonal application of rules - as one encounters when applying for a loan - are relatively effective for dealing with the discreet and non-complex demands of the mediating technology (Weber 1947; Merton 1957).

The technological means used in banking have recently dramatically changed. Information technology has rapidly reorganised the kind of work people do across industries and organisational strata. It is affecting bank clerks through the automation of high volume back office operations as well as with word processing and electronic mail. Although it is not yet true in all banks, in general, managers are more frequently making use of computer conferencing, decision support systems, sophisticated modelling procedures and new on-line management information systems. (The Banks and Information Technology 1982). It is argued (Zuboff 1982) that computer mediated work is more abstract than manual work and can demand new conceptual skills while de-emphasising the importance of direct experience. It can also potentially de-personalise supervision, alter social communities and often absorb much of the judgement that routine jobs used to entail.

D. Commodity

Another factor which characterises banks is the fact that all banks trade in a type of "commodity" (money and money substitutes) that has particular characteristics.

All societies have a monetary system and financial institutions. If the exchange of goods between members of a society is going to advance beyond the level of exchanging goods for goods, there must be some instrument or commodity that people are willing to accept in exchange for goods and services. The specific form of the money is not important. The important thing is whether people are willing to give up goods in exchange for the monetary unit. Hence, the monetary and financial systems can survive only as long as they are trusted by the public (Savage 1977).

Thus, in banking (with the partial exception of the USSR and its satellite countries) there is some emphasis on the need for liquidity (the ease with which assets can be converted into cash without substantial loss) and on margins of safety in lending. This is true even in state owned banks like those of Australia, Egypt, France and India (Beckhart 1964).

E. Interbank Communication

Another factor which characterises banks is inter-bank communications. Nowadays, banks are interlinked - sometimes on a national level and sometimes on an international level. They draw money from common pools, lend in groups, follow similar conventions and speak the same language (Wellons 1982). In order to maximise the return on their assets, banks trade with each other. Thus, terms like "credit", "deposit", "interest", "liquidity", "Euro-money", or "overnight loan" are part of the daily language used by bankers all over the world. Managers positioned in different countries do not need to change their verbal behaviour regarding banking. Moreover, since English is the internationally agreed banking language, managers in the international markets do not need to change their language at all.

While there are some similarities between banking systems, there are also some differences which are described below.

2. Differences - International Banking

International banks differ in their objectives and strategies, in their organisational structure and in their marketing policies and practices. These three contingencies affect managerial behaviour in these banks and are described below.

A. Objectives and Strategy

The objectives and strategies of international banks are strongly tied up to their evolution process - namely the transformation of a national or domestic bank into a main international bank.

In its original state the international function of a domestic bank was a service department. Services offered normally relate to trade financial needs of the overseas customers of corporations of the same nationality. This was done through foreign correspondent banks (Davis 1979; p. 32). The first evolutionary step away from this prototype was the initiation of certain service functions in response to the explicit needs of domestic corporate customers in host countries. The following step was trading deposits in the interbank system, and participation as minority parties in consortium activities. By that stage, the absence of a domestic parent guarantee gave rise to the question whether to continue to work through foreign correspondent banks or to establish direct activities in the host countries. Successful establishment of direct activities in one financial centre encouraged the banks to repeat this success in other financial centres of the world. Another reason for the international expansion of the American banks was the fact that they were not allowed to expand between States.

The patterns of evolution described here are essentially those of American banks and some of their followers. However, British, Dutch and other continental banks have a long history of international business through old colonial ties. These banks followed the armies and navies of their parent countries together with the businessmen who came to initiate new businesses.

The banks which sometimes substituted for the central banks of the colonies, became normal subsidiaries of their parent continental banks only after the decolonialisation of the countries. For example, one of the British banks established a subsidiary in Palestine which became - after the establishment of the State of Israel - a domestic bank in the new born country. Today the British bank which had originally created the Israeli bank, is itself one of its many subsidiaries.

Banks active internationally thus found themselves offering a limited number of trade financing services and at the same time also offering a wide range of investments and commercial banking services through a network which covers the world.

Within this evolutionary context, banks establish their long term objectives. Davis (1979) found in a study of 40 international banks that profit and service to customers are the two most prevailing objectives (p. 36). Other objectives are responding to competitive pressures and increasing market share. He also found that while American, Canadian and British banks are fairly specific about their profit and other objectives - Japanese and Southern European institutions tend to rely on implicit, general statements of objectives.

B. Organisational Structure

International banks can be oriented along three different lines: product or function, geography and customers. In most cases structures are built around two or even three of these dimensions (Davis 1979; p. 46).

The product development function of international banks has taken the form of improving established speciality products such as clearing services, export finance, services for individuals, and merchant banking activities such as the syndication of Eurocurrency loans and the origination of private placement (p. 78).

But the most prevalent and traditional structure is one based on territorial or geographic lines with separate functional groups reporting to the same senior officer. This structure is typical of most American banks (p. 48).

The other traditional structural form is primarily adopted by Japanese and Continental European banks. These banks have an international department organised along territorial lines but without the extent of functional responsibility (p. 50). Efforts to create an optimum balance between a functional/product and geographic orientation have led to the matrix organisations developed by some American institutions. Under this structure, functional and geographic specialisation are each given considerable emphasis, varying from organisation to organisation (Smith 1983).

The actual choice of organisational structure seems to be a function of the physical size of the bank, the influence and background of key senior managers, the bank's historical development in the international market, and the nature of its domestic and international markets. Davis (1979) found that many organisational structures are in a period of transition and managers are often dissatisfied with the performance of current structures.

In the first place there are problems of reconciling size and complexity of structure with flexibility and responsiveness to needs of customers. "While a matrix type organisation ... can be intellectually satisfying on paper, in practice the necessary interaction and communication among a number of individuals from different parts of the organisation ... can lead to significant delays in the decision making process;

frustration on the part of bank officers who feel they spend more time relating to other officers in the bank than in actually doing the business which interests them and in the end the lack of responsive and constructive customer services for which the organisation was designed. On the other hand, smaller banks, or those without the array of specialist talents and products find it increasingly difficult to compete for the business of customers who have substantial and sophisticated requirements with a global orientation" (p. 54).

Secondly, lack of professional bankers who possess management skills, credit experience, business development talent and expertise is a serious obstacle to any effort to change organisational structures. And it is not only the staff in the subsidiaries which are difficult to recruit, it is also their counterpart managers at HQs of the banks in the parent countries.

When the actual functioning of banks is analysed then the main subject which differs between banks is the level of centralisation of decision making. At one extreme is the highly centralised bank where most professional decisions are made at HQ and conveyed around the globe for implementation. At the other extreme is a decentralised bank where most business decisions are delegated to officers in the field with direct marketing contacts. The choice of degree of centralisation is usually determined by the factors of complexity of structure, the background and orientation of senior management, the nature of the bank's business and the availability of qualified and trusted personnel (p. 58). The larger US banks with a complex matrix type organisational structure are the ones which normally delegate authority to field officers, while in the more centralised category are the great majority of European banks.

Davis found that the more complicated is the structure, the more retail orientated (vs. wholesale orientated), and the more qualified staff are available - the more the bank will decentralise its decision making structure. Neither size nor length and extent of experience internationally are major factors in determining the extent of centralisation (p. 59).

In addition, the role of the chief executive officer in the decision making process varies considerably throughout the world with little correlation as to country. Some chief executives are involved in the day-to-day customer related decisions while others concentrate on policy making.

C. Marketing

In their traditional mode bankers considered themselves as suppliers of services required by lenders of short term funds to finance trade, on a virtually risk-free basis. By the mid-1970's, however, international banks realised that they had to compete to achieve their financial objectives and that they had to consider and to use basic elements of marketing: definition of their customers' and their needs and developing product and services to meet these demands; pricing the services in a competitive way and developing appropriate channels to promote these services and products.

The history of the activities of Japanese banks in London characterises the development of subsidiaries of European banks in London. The original function of the Japanese banks in London was to service Japanese clients to whom the bulk of loans were made. From the 1960s when the Eurodollar market emerged, they became increasingly involved in Eurocredit transactions. Since the mid 1970s they have been trying to increase their loans to British and other Western firms (White & Trevor 1983; p. 90). A similar description is found in Davis (1979). He describes the typical target client as being moved from overseas banking correspondents to prime multinational and governmental customers and finally to a broader range of small and medium size private and public sector institutions with a perceived credit risk (p. 80). This shift characterises most major international banks. However, the proportional size of each of the different lines of business and the target marketing objectives vary from bank to bank. The marketing policy tends to be a response to restrictions imposed by the home country such as legislation against cartels and other restrictions which limit the banks' ability to go into the insurance business in the USA (Pecchioli 1983; pp. 51-56) or Foreign Exchange Control regulations in Israeli and other banks.

The goals and marketing policies and practices of banks influence the behaviour of their managers and employees indirectly. Its main affect appears to be on the complexity of the bank, on its structure and on its decision making process. The more products there are and the more they diversify, the more complicated is the organisation and as a result decentralisation of decision making is required. However, decentralisation could take place if the human resources of expertise did exist. Thus, marketing decisions can not be made independently of strategic policies and structural changes.

3. Summary

Banks are a good site for studying behaviour of expatriate managers for two main reasons: First, the practice of banking has similar basic characteristics in different cultures. Thus many, though not all, contextual variables could be controlled enabling the analysis of cultural differences.

Second, the availability of hundreds of international banks in London and their tendency to appoint many expatriate managers to their subsidiaries in London, make it feasible to conduct a statistical study of managers' behaviour.

The present study does not relate the behaviour of managers to contextual variables which are specific to banking. However, the short description of similarities and differences between banks will be referred to at a later stage in order to propose further explanations to the findings - those which cannot be explained by the three explanatory theories.

Chapter 3: S O C I A L I S A T I O N T H E O R Y

1. Description

Socialisation is a general term which describes some kind of change in a person's orientation towards his/her social environment. A person's attitude towards his/her social environment could be defined as follows: "An attitude is an idea charged with emotion which predisposes a class of actions to a particular class of social situations" (Triandis 1971; p. 2).

This definition suggests that attitudes have three components:-

- A. An affective component - which refers to a person's feeling towards and evaluation of some object
- B. A cognitive component - which refers to a person's knowledge, opinions, beliefs and thoughts about the object
- C. A conative/behavioural component - which refers to a person's intentions and actions with regard to the object (Rosenberg & Hovland 1960; Fishbein & Ajzen 1975; p. 343)

Different theories of socialisation concentrate on various components of the human attitudes:

- A. The Psychoanalytical theory is concentrated on the affective component of attitudes, (Fenichel 1945; Klein 1948; Munroe 1955).
- B. The Cognitive theory focuses on the cognitive component of attitudes (Baldwin 1906; Piaget 1948; Kohlberg 1966).
- C. The Social Learning theory focuses on the conative component of attitudes (Miller & Dollard 1941; Skinner 1953; Bandura 1968,1977).

While each one of the three main schools of socialisation theory focuses on a different aspect of attitudes, the theory described here regarding attitude change deals separately with each one of the three components. In the context of the present study, which analyses behaviour of internationally transferred managers, it is extremely important to define accurately which one of the dimensions of attitudes is being studied and analysed. While the conative/behavioural dimension has been closely inspected in previous studies (Bandura 1968, 1977; Sheriff & Sheriff 1969), the affective and cognitive dimensions have not been analysed to the same extent. Therefore, a discriminative treatment of the three components of attitude would allow us to explain and to predict changes of the managerial attitudes of expatriate managers.

The formation of the three levels of attitudes is described as follows:-

A. Formation of the Affective Component of Attitudes

The affective component of attitudes is characterised by the presence of positive or negative emotion. Physiologically, emotion involves mainly a state of arousal. It becomes positive or negative according to the relevant cognitive interpretation. Schachter (1964) showed that a physiological state of arousal is labelled by the individual in terms of his/her available cognitions. If the individual experiences arousal without a sufficient explanation, he/she does not experience emotions such as fear. If the individual experiences the cognition but not the physiological arousal, then he/she again will not experience an emotion. Only when both arousal and cognition are present, will the individual experience emotion.

B. Formation of the Cognitive Component of Attitudes

Piaget (1966; p. 163) analysed the development of moral feelings and judgements of young children. He distinguished between four successive stages of morale development:-

1. Motor and individual stage - the child plays all by himself and applies motor rules (1-2 yrs).

2. Egocentric stage - the child receives the examples of codified rules from outside (2-5 yrs).
3. Incipient co-operation stage - the child applies some control on his counterpart behaviour and unifies the rules of the game (6-8 yrs).
4. Codification of rules stage - the actual code of rules is not only fixed but is known to the whole society (11-12 yrs).

C. Formation of the Conative/ Behavioural Component of Attitudes (norms)

Social norms are ideas held by groups of people concerning what is correct or incorrect behaviour. The first influence on children is their parents. They use different explanations to substantiate their instructions. Some of them are authoritarian, some are cognitive and others are normative. Social norms are of different kinds. Some norms are very strict and some are vague. Some arouse great emotion and others are of little consequence.

In general, that behaviour which is most intimate and defines the nature of relationships within the in-group is associated with the most clear and emotion producing norms (Triandis 1971; p. 115).

Further to the behavioural socialisation of children by their parents there is a later influence by different reference groups (peers, teachers, religious institutions) and by the media.

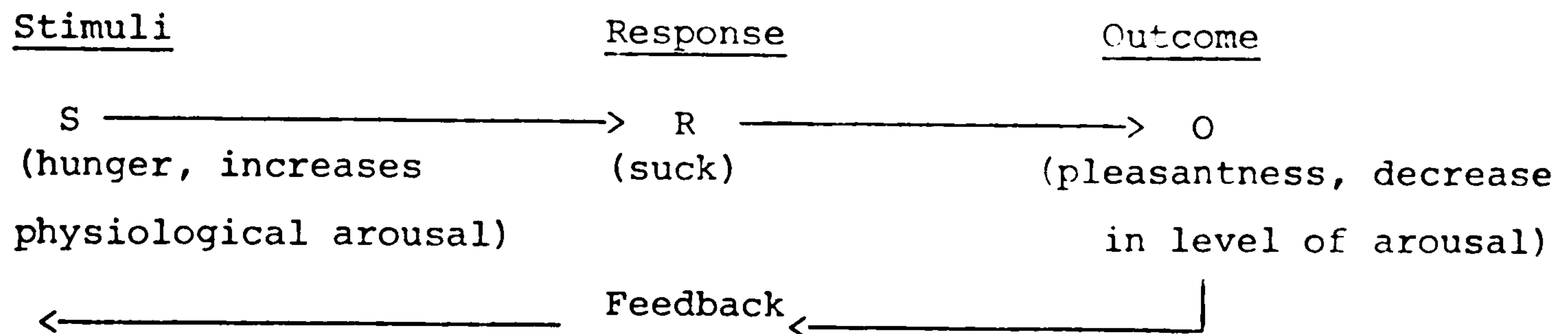
2. Explanation

A. The Development of the Inter-relations between the Components of Attitudes

The three components of attitudes are inter-related. The first to be developed is the affective component. The baby at age 0-2 has physiological needs (hunger, pain avoidance, cold avoidance etc).

The mother supplies these needs and makes the connection between the physiological arousal and its associate response. The situation is described as a learning loop in Figure 3.1.

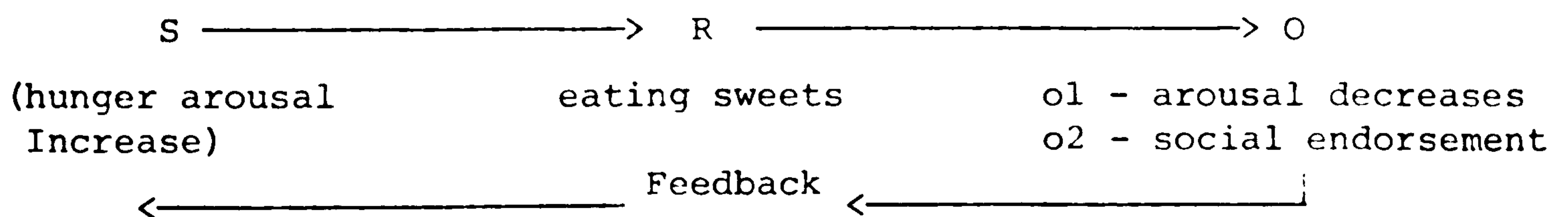
Figure 3.1: Learning Loop of a Baby (0-2 yrs)



The association between the Response and the Stimuli establishes reinforcement (outcome). This process characterises any learning event (Hull 1943)

Between the age of 2-5, another dimension is added to this loop. This is the development of cognition. The new learning loop that is established as a result of the development of cognition is described in Figure 3.2.

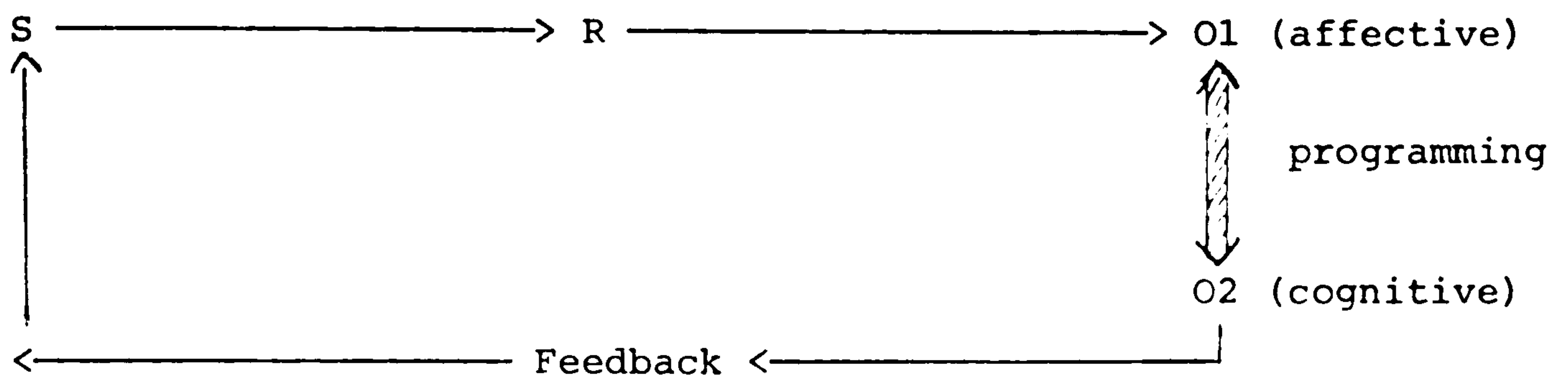
Figure 3.2: Learning Loop of a Young Child (2-5 yrs)



The cognition associates the social desirability of sweets ("if you are a good boy I will give you some sweets"), with the decrease in physiological arousal. In case of bitter or sour food, the social reinforcement is negative. The baby learns to associate socially desired things with satisfaction of his own needs and to associate socially undesired things with unpleasantness or unsatisfaction of his own needs.

Hofstede (1980) did not define the precise meaning of what he called "programming of the mind". He did not explain how the process of programming happens and which components of the learning loop are involved. It is therefore proposed here that the socially explained connection between O1 and O2, or the socially connected affective level of the attitude and the cognitive level of the attitude, should be defined as a programming process (Hofstede 1980). It is described in Figure 3.3.

Figure 3.3: Programming of the Mind



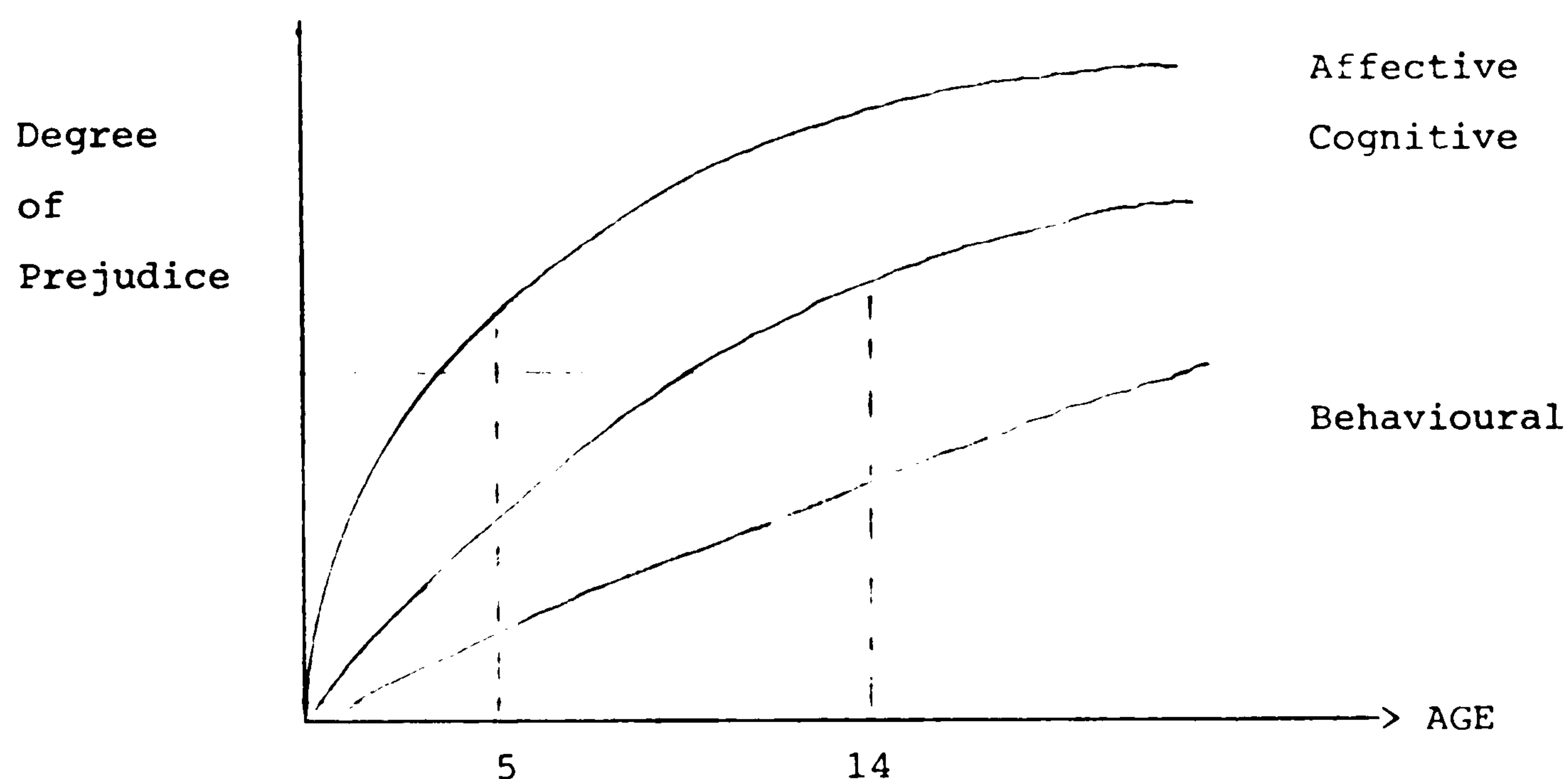
As children grow up, they tend to use more and more association R - O2 in order to evaluate behaviour rather than the association R - O1. The process of learning of the association between O1 - O2 is the programming stage. Children evaluate behaviour of themselves and of others according to social norms conveyed to them by their parents to satisfy their egocentric needs.

When the egocentric stage of development has been accomplished, the association R - O2 is then learned during the ages 5-11 in relation to the wide range of social norms of the group. Later on, from the age of 11 to adulthood, young people learn to apply social norms in a general social context rather than in their group context. At the two last stages of socialisation (5-11 and 11-18) and even later on, children and adults still refer to the affective components of their attitudes but because it is socially undesirable ("if you cry I shall not take you to the zoo"), every time it is done to a lesser extent.

The development of social attitudes was studied by Horowitz (1936) in the context of the development of social prejudices.

Horowitz suggested that the prejudice of white children towards Negroes is developed in three stages and each one of them has a different scope of time. They are described in Figure 3.4.

Figure 3.4: Theoretical Growth Curve of Attitudes (adapted from Horowitz in Proshansky & Seidenberg 1965; p. 117).



The figure shows that the affective component of an attitude is established as early as the age of 5, the cognitive component is established by the age of 5-10 and the conative/behavioural aspect is developed until adulthood of the individual has been accomplished.

This finding is very important to the study of attitude change of managers. According to this finding, Hofstede's claim that peoples' minds are programmed in early age might be correct only with regard to the affective component of the attitude. Horowitz findings deny the possibilities that the cognitive component of attitude is unchangeable after the age of five or that the behavioural component is unchangeable after that age. Thus, it is important to describe theories of attitude change and their discrimination between the three components of the attitude.

B. Attitude Change

Attitude change could be assumed to occur on the same three levels of attitude formation but in a reverse order.

Kelman (1958), who studied attitude change, proposed that three different processes of influence can be distinguished which result from social influence. They are: compliance, identification and internalisation.

Compliance can be said to occur when an individual accepts influence because he/she hopes to achieve a favourable reaction from another person or group. Thus, the individual tends to perform the desired behaviour only under conditions of surveillance by the influencing agent. The satisfaction derived from compliance is due to the social effect of accepting influence.

Identification can be said to occur when an individual accepts influence because he/she wants to establish or maintain a satisfying relationship with another person or a group. Thus, the individual tends to perform the desired behaviour only under conditions of the salience of his/her relationship with the agent. The satisfaction derived from identification is due to the act of conforming as such.

Internalisation can be said to occur when an individual accepts influence because the content of the behaviour - the ideas and actions of which it is composed - is intrinsically rewarding. Thus, the individual tends to perform the desired behaviour under conditions of relevance of the issue, regardless of surveillance or salience. The satisfaction derived from internalisation is due to the content of the new behaviour.

Kelman suggests that "the framework presented here can be applied directly to the analysis of the effects of various communications and other forms of social influence on attitudes and action in the international sphere" (p. 148).

The comparison between Kelman's and Horowitz's models of attitude change present some identical points. Attitudes have three components:- Affective, Cognitive and Behavioural. The change in each type could be attributed to the application of different mechanisms: change of behaviour is the easiest to achieve, and it is demonstrated by compliance; change of cognition is more difficult to achieve and it is demonstrated by identification; change of affection towards any subject is the most difficult to achieve and when it happens it is demonstrated by internalisation.

Sarnoff, Katz and McClintock (1954) referred to the external force which should be used to change each of the three different levels of attitudes. They suggested that the behavioural component of the attitude could be changed by social rewards and punishments. The cognitive component could be changed by attacking the cognitive object and the frame of reference, and the affective component (in their terms - the Ego) could be changed by the use of catharsis and direct interpretation.

The best known method of change of attitudes which reached the deepest level of the attitude - the affective one - took place in prisoners' camps in East Asia and is known as 'brain washing' (Schein 1957). According to this method, prisoners of war were brought to the situation of total dependency on their masters, just like little children are dependent on their parents. All kinds of feelings (fear, hunger, pain) were used in order to destroy old associations between the cognitive outcomes and the affective outcomes and to replace them by new ones.

The prisoners were forced to change their behaviour, their cognitions and their affections gradually. First they were forced to change their external visible verbal behaviour. That change was then associated with cognitive changes reinforced by negative emotional feedback (like fear and pain). This inhuman type of change of attitude is unethical but is very effective.

C. Change of Cultural Attitudes

In different societies there are different societal norms. Therefore, according to the theory of socialisation presented here, children between the ages 2-5, are exposed to different kind of associations between O_1 and O_2 and therefore have different programmes of cognitive perceptions of reality. Thus the pleasantness of each stimulus is developed as a function of its familiarity (Zajonc 1968).

It is argued (Jaspers et al 1965) that children of different cultural origins prefer familiar clues that are associated with their own culture to less familiar clues which are associated with other cultures.

Hofstede (1980) extended the theory of the familiarity of stimulus to adults in different cultures. He based his comparative culture research on the assumption that people tend to carry with them a certain repertoire of responses which are unchangeable. He assumed that "...each person carries a certain amount of mental programming which is stable over time and leads to the same person showing more or less the same behaviour in similar situations" (p. 14) and he continued "...it is possible that our mental programmes are physically determined by states of our brain cells" (p. 14) and therefore "...mental programmes can be inherited - transferred in our genes - or they can be learned after birth..." (p. 16).

Every individual's mental programming is partly unique and partly shared with others (P. 15). Three levels can be distinguished in mental programmes:-

- 1) The universal level which is shared by almost all mankind. This part is most likely to be entirely inherited.
- 2) The collective level which is shared with some but not all other people. This part is an almost entirely social phenomenon.
- 3) The individual level which is truly unique, is a combination of an inherited element and a socially transferred element.

"Societies, organisations and groups have ways of conserving and passing on mental programmes from generation to generation with an obstinacy which many people tend to underestimate. The learning transferring collective mental programmes goes on during our entire lives, but as most of it deals with fundamental facts of life, we tend to learn it when we are very young; When the mind is still relatively empty, programmes are most easily registered" (p. 17).

Hofstede based his assumptions on the findings of Bloom (1964) who had found that intelligence is very rapidly developed in the early years from two to about seven with a slowing down after age nine (p. 64). Bloom also found that such characteristics as intellectual interest, dependency and aggression seem to be developed before age five (p. 177). However, the combination of Hofstede's theory of mental programming with previous studies of attitudes enables predictions to be made.

3. Predictions

According to the Socialisation Theory (Hammer et al 1978; Abe & Wiseman 1983; Lee & Larwood 1983), people who move from culture to culture will tend to change the behavioural component of their attitudes according to the norms of the host culture. It is assumed that tourists who visit another culture for two weeks will tend to change their behaviour less than a professor who is on a sabbatical. Also tourists in large groups, who surround themselves with peers who endorse the characteristics of the parent country will tend to change their behaviour less than a single tourist who is surrounded by local people. But it is assumed that all these people will tend to change some elements of their behaviour and to comply with some aspects of the host culture.

The more difficult question is to what extent people will tend to change cognitive and affective components of their behaviour in a foreign culture. According to the socialisation theory described here, there will be no changes on the programmed level of $O_1 - O_2$. There will be no internalisation of new values. On the cognitive level ($O_2 - S$) individuals may change the cognitive component of their attitudes and to identify with some of the elements of the new culture.

The level of identification is dependent on the importance of the change agent, the importance of the stimulation and the importance of their response (Kelman 1958).

Accordingly, it is assumed that individuals who married spouses of the host culture origin will tend to change the cognitive level of their attitude towards that culture and identify with some of its elements. Other individuals who decided to emigrate and to settle down in a new culture for good, will tend to change their cognition. Those who came to teach people of the host culture will tend to change their cognition less than others individual who came to study in the host culture.

4. Socialisation of Expatriate Managers

A. Description

Cultural socialisation of managers in their parent countries has been measured by Haire, Ghiselli and Porter (1966). They surveyed 2800 managers in 14 developed countries, questioning them about their management related leadership beliefs, cognitive patterns and motivation levels. They found that on many questions there were only small differences across the range of countries. Nevertheless, when significant differences existed, the responses of managers within a cultural group were clustered, and each cluster was characterised by different patterns .

Culturally based differences were also observed in other studies. Redding and Casey (1976) found that managers in eight Asian countries had quite different values from one another.

Hofstede (1980), who studied values of managers in subsidiaries of one multinational company in forty countries, found that they differ in their level of power distance, uncertainty avoidance, individualism and masculinity. Hofstede showed that the countries could be clustered in a sensible order according to their latitude, GNP, population size, population growth and other variables.

England and Negandhi (1979) compared attitudes of workers in an American auto company, with American and Indian workers in steel companies in America and India respectively. They found that national differences in workers' perceptions existed only on such global issues as pollution, national economy and housing problems. In these three areas there are objective differences between the two countries. National differences with respect to job content areas, factors influencing promotion and employee satisfaction, preferences and willingness to participate in decision making were marginal at best. In other words, inter-industry differences in employees' perceptions were as large or larger than the inter-country differences.

Posner & Schmidt (1983) found that in some important areas, the attitudes of managers on both sides of the Atlantic are converging. Both American and European managers show stiffening resistance to job changes that would significantly affect their life style. However, the European managers are further along the path of putting home before work than their American counterparts and there are a number of areas, such as the level of their career ambitions, in which the two groups differ considerably.

Pascale (1978) conducted a cross cultural comparative study in which he compared patterns of communication, style of decision making and output quality in 43 Japanese and American sites in both Japan and the USA. He found no significant differences between Japanese subsidiaries in the US and their American counterparts. Moreover, he found that Japanese firms in Japan differ only to a small extent from American companies in the USA.

Pascale concluded that assertions of wide scale dissimilarities between Japanese and American organisations, which are based on cultural factors (regardless of location and ownership), appear unjustified. Furthermore, Japanese subsidiaries were found to differ from their parent companies and the significant differences were in the direction of the Japanese subsidiary being more like American companies.

Pascale suggests two alternative explanations to his findings:

- a) The adaptation of the Japanese firm to the American environment is a function of the proportion of Japanese nationals present in the Japanese subsidiary in America.
- b) Japanese firms in the United States adapt exclusively to American managerial practices.

The first explanation was tested and rejected. No correlation was found by Pascale between the percentage of Japanese nationals and patterns of behaviour in the subsidiary. Therefore, the second explanation was adopted.

Another question was whether there is a possibility that Japanese subsidiaries in the US attract a special breed of American employees. This hypothesis was tested and rejected. No differences were found between American employees of Japanese firms in the USA which recruit their employees by themselves and an American firm which was acquired, with all its employees, by a Japanese enterprise.

In a different study, Lincoln, Hanada and Olson (1981) inquired whether Japanese and Japanese-American employees of a set of Japanese multinational firms in the USA differed in their values, behaviour and satisfaction. They studied their preferences for paternalistic company behaviour, the extent of personal ties with co-workers and their level of work satisfaction. Although no cultural differences in the level of personal ties with co-workers appeared, it was found that employees of Japanese origin favoured more organisational paternalism but expressed less work satisfaction than their American colleagues.

Matsusaki (1980) proposed an explanation for the cultural differences as perceived by managers of different ethnic origins who co-operate in the same MNC. He compared self-perception and the 'perception of the other', of two groups of managers in a Japanese-Canadian joint venture. He asked to what extent there were differences between Japanese and Canadian managers in their self-image, achievement-motivation, self-actualisation and other factors.

While the self-perception element of his study indicated an almost identical response pattern of the two groups (p. 265), each group perceived the other group as being different. He also found that as the joint venture went on, the respective groups of executives retained their basic orientation (p. 267).

White & Trevor (1983) conducted a comparative study in six Japanese owned organisations in England. In these six case studies they included three manufacturing companies, two banks and one financial company in the City of London. They looked for similarities and differences in organisational practices between Japanese owned companies in England and similar companies in Japan.

Their overall conclusion was that practices that were used in England were not similar to practices used in Japan. There was no explicit system of lifetime employment; no company unions; no seniority based payment system; no elaborate provisions of welfare or fringe benefits; no scheme of lifelong training; and no group decision making processes (p. 124).

At the same time they found (p. 128) that in some aspects the Japanese companies in England differed from similar English companies. They have an organised or orderly approach, an emphasis on detail, an over-riding priority attached to quality and a punctilious sense of discipline. The researchers explained the slight differences in scale and degree of practices between the financial institutions and the production companies by the differences in technology and system of production.

B. Explanation

The change in behaviour of expatriate managers was explained in terms of socialisation by Torbiorn (1982). He used the terms balance and imbalance between behaviour and cognition. According to this thesis an expatriate manager who moves to a new country is characterised by internal balance (there is no internal conflict between values and perception of own behaviour) but external imbalance (there is a conflict between behaviour and expected results).

Since the expatriate manager's behaviour proves abortive, the ideas on which it is based will gradually weaken.

Nevertheless they continue to dominate the frame of reference for a time and they still produce an inadequate type of behaviour. Torbiorn claimed that in order to change behaviour, expatriate managers first need to change their frame of reference. Only when the inadequate cognition ceases to dominate the frame of reference does appropriate behaviour emerge.

Lee and Larwood (1983) see it differently. They argue that managers who move to a new country learn an adequate social role behaviour. They learn through observation, repeated practice and receipt of reinforcement for carrying out a consensual role appropriately (Jackson 1965; Bandura 1977). By using these mechanisms people who live in a new culture are most likely to be able to observe the behaviour that will be expected of them by others. Lee and Larwood interpreted Bem (1972) who argued that in order to change cognition there is a need to change behaviour.

They predict that expatriate managers who identify an incongruency between their personal patterns of behaviour and their self concept will try to resolve it. When there seems to be insufficient external justification for the self concept, they will tend to adhere to their personal behaviour and to change their self concept (identification). Regardless of the question - what changes first, behaviour or cognition - it is argued that changes in attitudes of expatriate managers come to answer the need of homeostasis (Festinger 1957), and congruency between behaviour and cognition.

According to the socialisation theory presented here, both patterns of behaviour and patterns of cognition are changed in order to keep congruency between behaviour and cognition (self-perception). According to this theory, there is no need for an expatriate manager to change his/her self-perception. But as Torbiorn suggests: "...changes in fairly superficial aspects are the first manifestations of a journey towards a new identity, as the shift in thinking comes to embrace ideas and attitudes that are increasingly crucial to the individual's ego perception" (p. 171).

C. Predictions

Hofstede (1980) measured national scores on the 4 dimensions of culture in forty different countries. He did not measure managers in transition. But in his chapter on implications he gave some advice to practitioners in MNCs. He wrote: "in multinational organisations, the values and beliefs of the home culture are taken for granted and serve as a frame of reference even for persons from other cultures who make a career in that organisation...national subsidiaries of multinational organisations function internally much more according to the value systems and beliefs of the host culture even if they formally adopt many home culture ideas and policies" (pp. 391-392).

These statements are later explained as follows: expatriate managers only change their task related set of beliefs and not their total set of beliefs. Thus, the values and beliefs in a subsidiary are similar to those shared by members of the parent organisation. The task function of a subsidiary follows the norms of the host country.

Hofstede argues that managers in transition cannot change their fundamental mental programming and hence, will not tend to change the basic components of their attitudes. However, they change their task related set of beliefs because they face changes in some of the aspects of their environment.

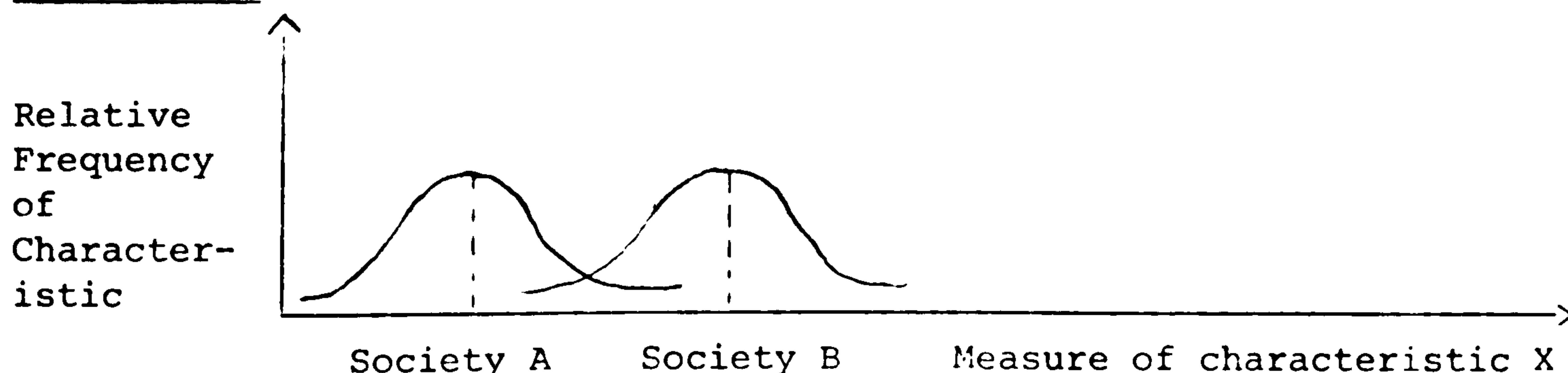
The socialisation theory (Lewin 1947, Schein 1968) predicts that a change in the behaviour of expatriate manager is likely to occur slowly and gradually. This change will be directed towards the closure of the gap between the parent country's normative patterns of behaviour and that of the host country. The new patterns of behaviour will represent a merger of norms of two cultures. It is expected that the longer time the expatriates function in the foreign country, the greater the chances are that their attitude will be closer to those held by nationals in the host country than to those held by parent country managers.

The cognitive components of attitudes will change as well but to a lesser extent. Cognition regarding task related issues will be the first to change. The more related the issue to the general environment, the less likely it is to be changed (England and Negandhi 1979).

In relation to the affective component of attitudes it is predicted that there will be no changes in expatriate managers' scores. Thus, if power distance, uncertainty avoidance, individualism and masculinity, are considered to be mentally programmed - no change in scoring of expatriate managers is expected on them. Expatriate managers in host countries will present the same attitudes as their peers at HQs in the parent country. In case these four dimensions are learned, expatriate managers' scores in host countries could be expected to differ from the scores of HQ officials of the same nationalities.

In order to describe this situation graphically, two types of figures are used. The first one (Figure 3.5) describes the frequency of a characteristic in two different societies.

Figure 3.5: Ratios between the Frequencies in Two Societies of a Normally Distributed Culturally Influenced Characteristics (Hofstede 1980, p. 40).



The application of this figure to figures which present expatriate managers' positive learning (of the characteristics of the host culture) and negative learning (of the characteristics of the parent culture) is demonstrated below. The second type of figure which comes to present change of behaviour of expatriate managers on three different levels of attitudes - affective, cognitive and behavioural- is demonstrated in three figures (No. 3.6, 3.7 and 3.8) as follows:

Figures 3.6: Change in Behaviour in a New Culture

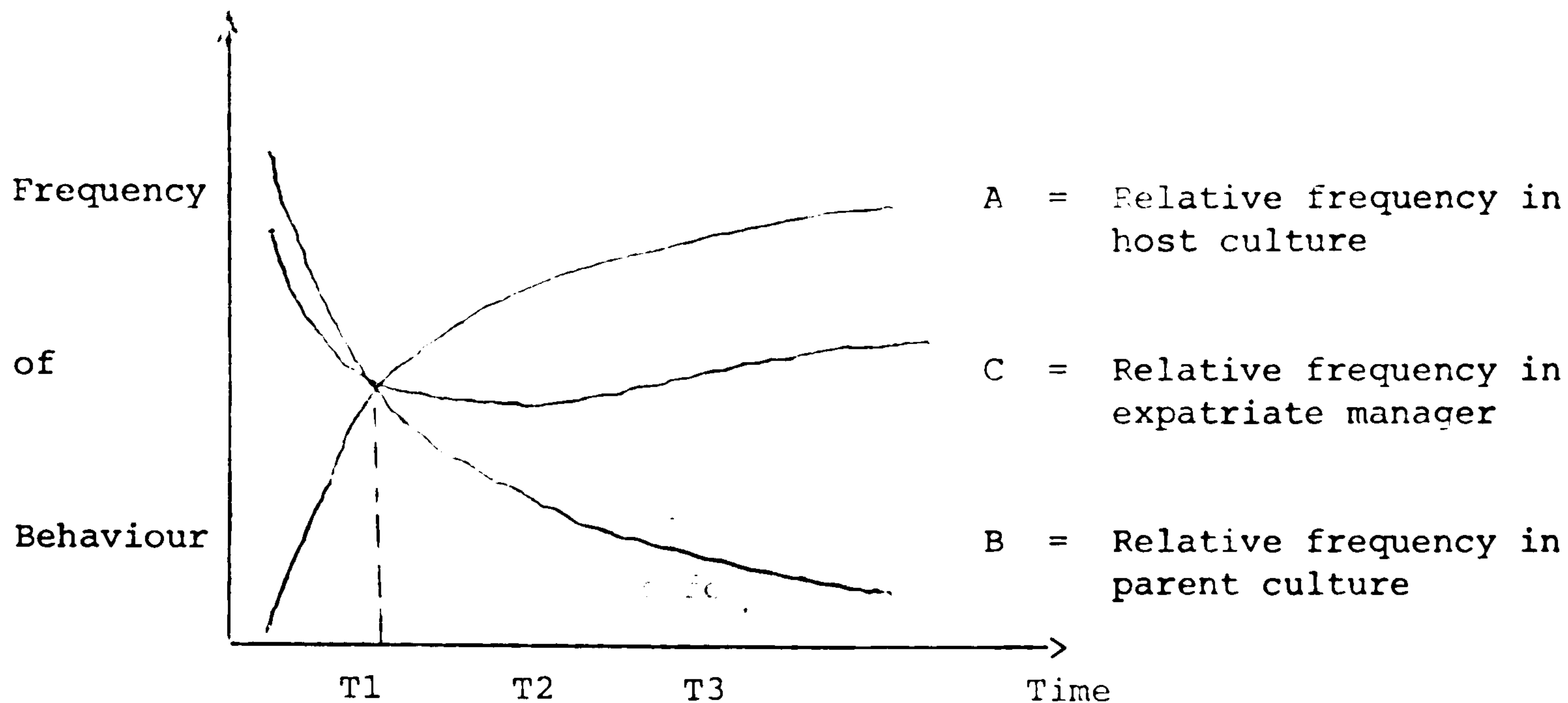


Figure 3.6 describes the change in actual behaviour. It shows that this change is achieved in a short time (T1).

Figure 3.7: Change in Cognition in a New Culture

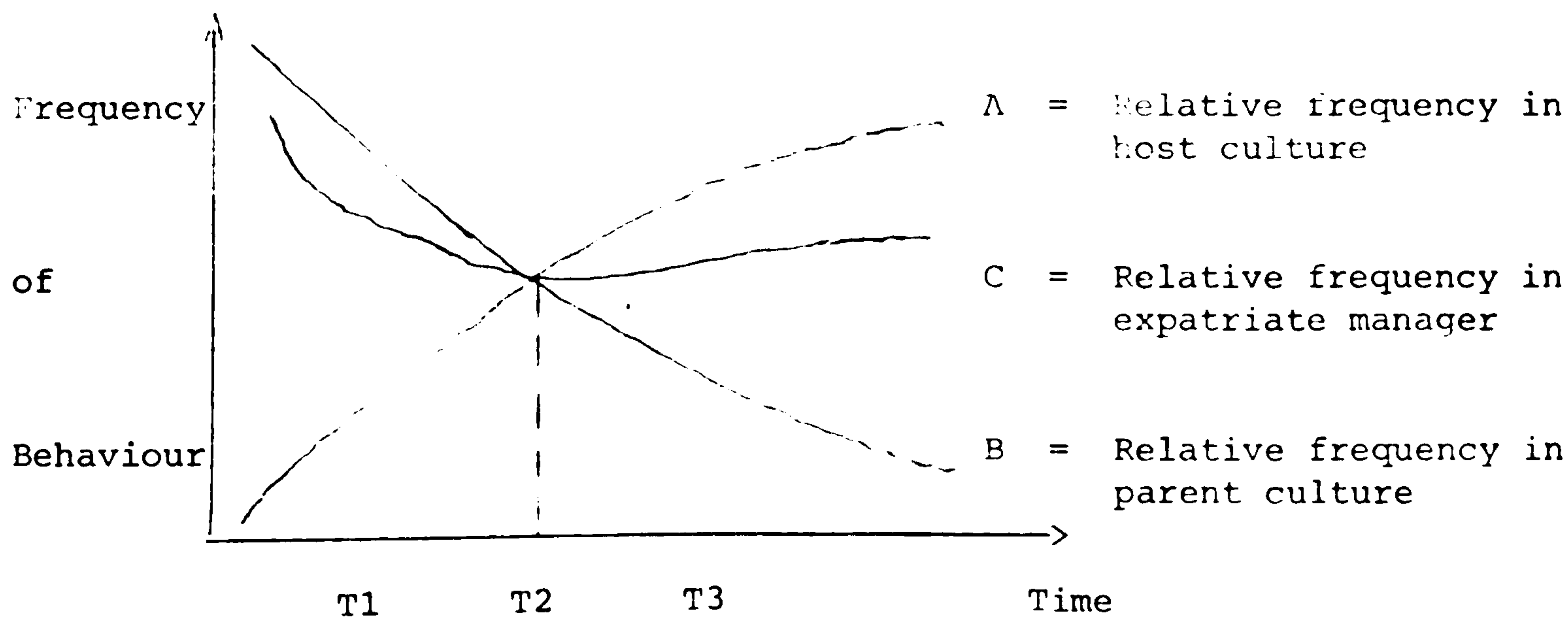


Figure 3.7 describes the change in Cognition of expatriate managers, this type of change is more difficult to achieve and it takes longer time (T2) than the change in behaviour (T1).

Figure 3.8: Change in Affection in a New Culture

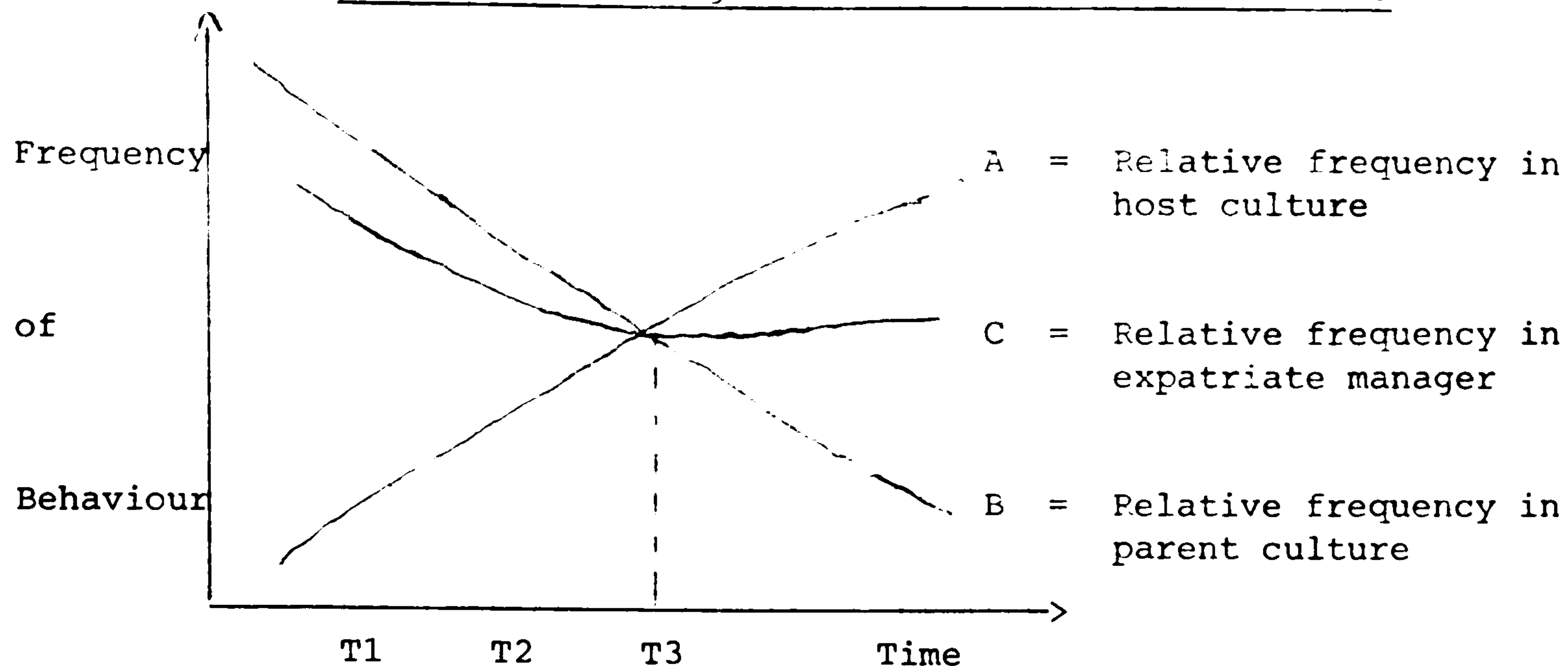


Figure 3.8 describes the change in affection of expatriate manager. This type of change is the most difficult to achieve and it takes the longest time (T_3).

At T_1 managers change their behaviour to a great extent and their cognition to a small extent. It happens about six months after the arrival of the manager in the host country (Torbiorn 1982; pp. 97-118). The gap between the behaviour and the cognition could be identified by the low satisfaction of the managers which results from the incongruency between the state of the cognition and the actual behaviour.

At T_2 managers have already changed their behaviour and a great part of their cognition. It happens after three/five years of work in the host country. At this time managers are much more satisfied with their life and it is probably a result of a better congruency between their behaviour and cognition. At this stage, most managers may identify with the norms of the host country but they do not internalise them.

It takes even longer (T_3) to change affection and 'mental programming'. Certainly it could not be identified in expatriate managers whose average stay in the host country was two/five years.

5. Summary

The socialisation theory based on three different sub-theories - those of social learning, cognitive congruency, and Ego formation - describes, explains and predicts changes in behaviour, cognition and affection of expatriate managers respectively. It is essential to differentiate between these three sub-theories because each one of them predicts a change during a different scope of time. It is absolutely imperative to clarify which one of the three components of managerial behaviour is actually measured in order to decide on the scope of time in which a certain change is expected to be fully expressed.

It is predicted that in the short term, expatriate managers will change their task related behaviour and attitudes. In the medium term they might change some of their more basic attitudes. However, the fundamental attitudes and beliefs, those which have been named by Hofstede "collective values", would be changed only after a very long stay in the host country and therefore could not be identified for expatriate managers whose average period of assignment is 2-5 years.

Chapter 4: R O L E T H E O R Y

1. Description

A. Social Systems and Organisational Systems

The second theory to be described and analysed is Role Theory.

Role Theory describes human systems in terms of role. The theory is well established. Park wrote, as early as 1926, that "everyone is always and everywhere more or less consciously playing a role..... it is in these roles that we know each other; it is in these roles that we know ourselves" (p. 37). The concept has been used since in various scientific fields: culture (Mead 1934); psychotherapy (Moreno 1934); anthropology (Linton 1936); social psychology (Newcomb 1950; Newcomb, Turner and Converse 1956).

Role has been defined both in the more general context of society and in the more specific context of organisation.

B. Social Role

Social role refers to the behaviour of status occupants that is orientated toward the pattern expectations of others (Merton 1957; p. 41).

Following Parsons & Shils (1951), Merton (1957) considered role to be an essential concept in understanding social action and social structure. He wrote that "...the fact of structure can be registered by a distinctive term, role set...". He defined role set as "...the complement of role relationships which persons have by virtue of occupying a particular social status..." (p. 423).

The multiple links between different status occupants who hold arrays of associated roles, help to construct a social system.

C. Organisational Role

Within an organisational context, the term 'role' can be defined as a "set of expectations applied to the incumbent of a particular position by the incumbent and by role senders within and beyond an organisation's boundaries" (Neiman & Hughes 1951; Gross, Mason & McEachern 1958; Banton 1965).

In order to present the explanatory and the predictive parts of the Role Theory, some more definitions are required. They are:-

1. Role expectations - evaluative standards applied to the behaviour of any person who occupies a given organisational office or position.
2. Sent role - communications stemming from role expectations and sent by members of the role-set in the attempt to influence the focal person.
3. Received role - the focal person's perception of the messages sent to him/her including his/her own self-expectations.
4. Role behaviour - the response of the focal person to the complex network of information that he/she receives (Katz & Kahn 1978; p. 195).

The set of activities required of an individual occupying a particular position in an organisation constitutes a role. The requirements of a role are perceived by the individual within the framework of his/her understanding of the surrounding technology and larger organisational task. The requirements are communicated by other members of the organisation who depend on the person's role behaviour in order to meet the requirements of their own roles. The entire organisation can thus be viewed as a network of role sets each consisting of persons holding different expectations of a given role occupant. The organisation then could be conceptualised as a structure of roles or as a role system.

The view of organisations as systems is not new. Traditional theory considered organisations to be closed systems, and roles were analysed with regard to the offices which existed within the organisational boundaries (Emery & Trist 1960). The view of organisations as open systems enlarged the scope of expectations to which the role occupants have to respond in order to preserve their roles (Katz & Kahn 1978).

2. Explanation

A. Role Taking - The explanatory part of the role theory is linked to the open system approach. This approach argues that every manager must deal with uncertainties and ambiguities and above all must be concerned with adapting the organisation to new and changing requirements or changing the environment in order to develop congruence between the organisation and its environment (Kast & Rosenzweig 1979; p. 114).

While on the one hand the role expectations influence the role behaviour, on the other hand there is a feedback loop. The degree to which a person's behaviour conforms to the expectations of the role set will affect future expectations of this role set.

By using this mechanism which is sometimes called role taking (Katz & Kahn 1978; p. 199), managers are able to react to and influence their environments.

B. Multiple Roles - The process of organisational role-taking is simplest when a role is located in a single sub-system of the organisation, and relates to a role-set all of which members are in the same organisational sub-system.

Role becomes more complex when it requires the role occupant or the focal person to be simultaneously involved in two or more sub-systems, since each is likely to have its own priorities, and to some degree, its own sub-culture.

In some cases job occupants may have to embrace two or more different roles each with a separate role set. This situation is defined as a multiple role.

The situation of multiple roles can occur as a result of physical crossing of sub-system boundaries or as a result of a person having roles which are located in different organisational sub-systems.

C. Role Ambiguity - Role Ambiguity is conceived as the discrepancy between the amount of information a person has and the amount he/she requires to perform his/her role adequately (Katz and Kahn 1978; p. 426). More specifically, role ambiguity has been defined as the degree to which clear information is lacking regarding:

1. The expectations associated with a role
2. Methods for fulfilling known role expectations and/or
3. The consequences of role performance (Kahn et al 1964; Graen 1976).

In other words, role ambiguity could possibly take one or all of the following forms:

1. Information is unclear regarding which potential role expectations - A, B or C - should be met.
2. It is understood that expectation A should be met but information is unclear regarding what behaviour to adopt.
3. The consequences of behaviour A are unclear.

D. The Role of the Expatriate Manager - Torbiorn (1982; ch. 4) used role theory to analyse the role of the expatriate manager. He argued that the expatriate manager in the host country has to act in accordance with the expectations of the parent company and the expectations of local interests and stakeholders. The manager's role behaviour is then evaluated by role senders in the two (or sometimes more) countries. This situation is presented in Figure 4.1.

Figure 4.1: The Role of the Expatriate Manager

(Torbiorn 1982; p. 32)

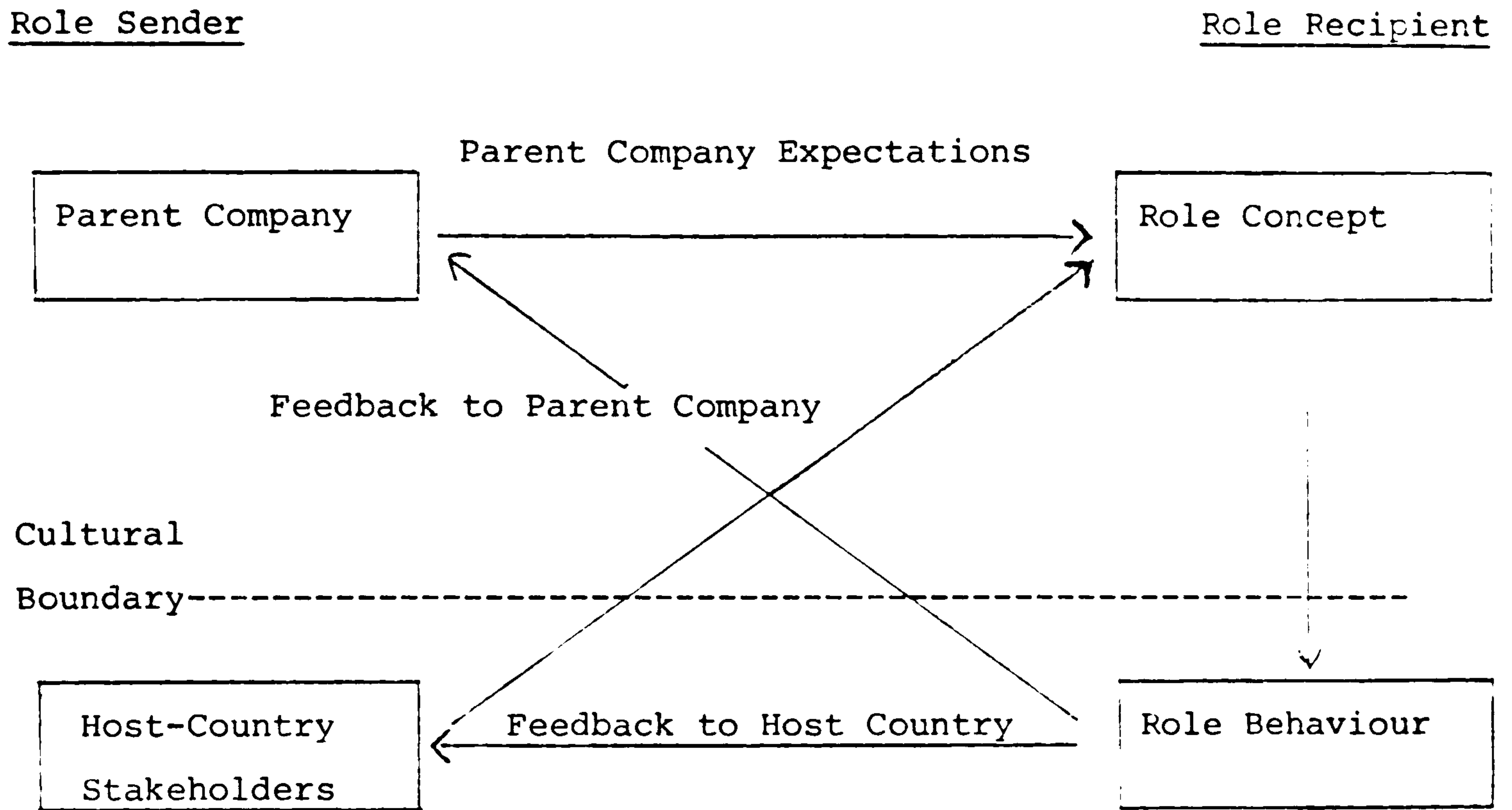


Figure 4.1 presents the role of the expatriate manager. The manager who in this case is the "role recipient", has two sets of "role senders". Various role senders in the host country are collectively labelled "Host Country Stakeholders" and the role senders in the parent country are labelled "Parent Company". Both role senders transmit their expectations to the "role concept" of the expatriate manager (equal to the term "received role" as previously described). The role concept is then modified into a role behaviour which is sent by the expatriate manager to his/her two sets of role senders.

According to Torbiorn, the expatriate manager has two role-sets and two sets of expectations; the role set of the expatriate manager in the host country includes: 1) immediate environment - family and friends, 2) task environment- subordinates, peers and superiors, customers, bankers, shareholders, representatives of the union, 3) general environment. In addition to the role set in the host country, the manager has another role set in the parent country.

It includes: 1) immediate environment-that part of the family that was left behind, 2) task environment-superiors, peers, customers, shareholders and representatives of the unions, 3) general environment. In some areas, expatriate managers in regional HQs may find that they have a role set in every country that is controlled by the regional HQs. In that case, they have complex and multiple role expectations.

From Figure 4.1 it can be seen that several important role relations cut across cultural boundaries. In relationships with people in the parent company, the actions of the expatriate manager are evaluated in a culture that differs from the one in which the actions occur. From the parent company's point of view, the task of the expatriate manager is "to realize the expectations of a psychologically close but physically distant stakeholder, in a psychologically distant but physically close setting" (p. 31). The expectations of the parent company are partly implicit in its objectives for the overseas posting, but they can also assume the form of express directions and orders.

In relations with the host country stakeholders, these home office expectations cut across cultural borders. The task of the expatriate manager is to interpret the expectations of the host country stakeholders and to perform adequately within them.

The existence of a multiple role set is one of the characteristics of almost every expatriate manager. This reality not only makes the role more complex but it also may present the manager with substantial role-conflict and role ambiguity.

The cross cultural relations present expatriate managers with role conflict and role ambiguity which are also faced by managers in single-nation organisations. However, in the case of cross cultural management in multinational corporations, this role conflict and role ambiguity are amplified many times because of geographical and cultural distances, differences in time zones and because of problems in communication between headquarters and subsidiaries.

Shetty (1971) describes the expatriate manager as "A man in the middle, endlessly beset by conflicting loyalties and demands". This situation is described by Torbiorn when he argues that it is part of the expatriate manager's role "... to represent the interests of the parent company in the overseas unit and the interests of the latter vis-a-vis the parent company" (p. 34). He says that both parties can be very demanding, and both have ample opportunity for applying formal or informal sanctions.

When the interests presented to expatriate managers are incompatible, the managers found themselves in difficulties: when they feel personal loyalty to both parties and have to give priority to only one, they suffer a conflict of loyalties which in itself complicates their decision. At the same time, quite apart from their own loyalties, a decision in favour of one party may force the other to readjust its expectations of the managers, thus changing their roles. Even if the unfavoured party cannot apply any formal sanctions, it may lose confidence in the expatriate managers who in turn may lose prestige and informal authority. The role occupants' problem is to maintain their role intact viz-a-viz two parties whose interests are in conflict, a task which must call for both tact and personal integrity.

It is possible to classify types of role conflicts faced by expatriate managers as follows:-

1. Incompatible expectations of various officials at HQs and of different role senders in the host country.
2. Incompatible expectations of HQs officials and of host country environment.
3. Incompatible expectations of expatriate managers and of HQs and/or host country environment regarding expatriate managers' jobs.
4. Incompatible self expectations stemming from the role of expatriate managers and expectations stemming from their other roles (fathers, husbands, club members etc).
5. Incompatible expectations of HQ officials and/or of host country role senders regarding the engagement of expatriate managers in several aspects of role behaviour.

In addition to various kinds of role conflict, expatriate managers may find ambiguities in certain aspects of their jobs. For example:

- a) The job itself is not well defined by HQ; officials in the parent country cannot foresee major aspects of the expatriate manager's job in the host country, and therefore cannot provide the appointed managers with a clear job definition. Thus, the managers themselves sometimes do not know what is expected of them.
- b) The managers cannot identify major role-senders and/or the importance of different stakeholders. Consequently, they cannot arrange their patterns of role behaviour in a sensible order of priorities.
- c) The role senders and their expectations may be well defined, but since the managers have no previous experience in the host country, they do not know how to perform their jobs in order to fulfil these expectations.

Similar kinds of conflicts and ambiguities are analysed and presented in different publications (Brook & Remmers 1970; Robinson 1978).

E. Role Behaviour of the Expatriate Manager - The suitability and adaptability of both expatriate managers and their family are the first prerequisites of a successful international appointment. Any mis-match between the host environment and the expatriates' behaviour can be damaging to both the individuals concerned and to the MNCs (Miller 1973; Hays 1974; Tung 1981).

However, only a few studies have adopted Role Theory to explain the way expatriate managers actually adjust to the host country expectations. These studies analysed partial or complete role sets of expatriate managers - host country subordinates and managers, HQ officials, expatriate managers and host country organisations and their expectations from the expatriate managers' role. (Byrnes 1966; Baker and Ivancevich 1972; Yum 1973; Almany 1974; Harari & Zeira 1974; Zeira 1975; Simonetti & Simonetti 1977; Zeira & Harari 1977, 1979; Torbiorn 1982; Zeira & Banai 1984).

Zeira and Harari (1977; 1979) used the open-systems approach and concentrated on the role set of the expatriate managers. They studied the attitudes and expectations of four groups that comprise the role set of the expatriate manager in the subsidiary: HQ officials in the parent country, host country nationals employed in the subsidiary, host country organisations (HCOs) which interact with the subsidiaries, and expatriate managers themselves. They found that expatriate managers in the subsidiaries of ethnocentric MNCs change their behaviour very slowly and only to a small extent. Changes in certain aspects of their behaviour and resistance to change in other aspects are viewed by Zeira and Harari as results of the structural characteristics of the ethnocentric staffing policy rather than cultural ones. For example, Zeira, Harari and Izraeli- Nundi (1975) studied a subsidiary of a non-American MNC operating in the USA and found that expatriate managers in that organisation used the parent country patterns of managerial behaviour, even after three years of service in the subsidiary.

The reasons for this phenomenon were explained by the researchers as follows:-

1. Prior socialisation - Although the expatriate managers are familiar with the desirable management style in the host country, this pattern of behaviour does not dominate their behaviour. This is because the desirable patterns of management in the host country are not the modus operandus at headquarters. As a result, those managers brought to the host country still use those practices of management which have been effective for them and which have conditioned their own promotion in the corporation.
2. System of promotion - the expatriate managers' performance assessment is based on financial profit and growth, rather than on host country nationals' satisfaction from their jobs. Therefore, the managers pay little attention to the latter while concentrating their efforts on the former.

3. The Easy Life - a great increase in the standard of living and social status of expatriate managers dulls their sensitivity to the needs of their subordinates.
4. Unawareness of Dissatisfaction - the expatriate managers are not aware that their managerial practices are a source of considerable dissatisfaction to host country subordinates.
5. Empathy and training - expatriate managers fail to understand the reasons for dissatisfaction of local employees because of a lack of pre-departure training.
6. Resistance to change - expatriate managers show a high level of resistance to change. This resistance stems from the following:
 - a. Change in behaviour can be interpreted by others as confession of past mismanagement.
 - b. The managers are afraid that they will be unable to learn new methods of management.
 - c. They fear that if they consult with host-country subordinates they will expose their own limitations.
 - d. The managers believe that a change in managerial behaviour will result in considerable frustration for them upon their return to the headquarters (Zeira, Harari & Izraeli 1975).

An additional aspect of the role set in the host country was studied later (Zeira & Harari 1979). Representatives of host country organisations were asked about their expectations of expatriate managers and presented an unrealistic set of expectations- "...the image of the desired expatriate as depicted by many HCOs is that of a superman" (p. 45). Hence, any change in behaviour would not anyway really fulfil the host country organisations' expectations. It means that the expatriate managers' role is loaded with inherent conflict, which may be reduced by appropriate training but cannot be resolved completely.

It is Zeira & Harari's belief that the ethnocentric approach adopted by the host country environment is a countervailing power (Galbraith 1957) to the ethnocentric international personnel policy of the MNCs which prefers to appoint expatriate managers rather than local managers to key positions in their subsidiaries (Zeira & Harari 1979; p. 46).

The conclusions of these studies and others (Yum 1973; Almany 1974) about role conflicts of expatriate managers suggest that expatriate managers are probably able to cope with their host task environment expectations but they are not able to cope with some aspects of their general host environment (Katz & Rosenzweig 1979).

In a study conducted by Lee & Larwood (1983), it was found that American managers in South Korea changed their managerial behaviour according to the expectations of the host country managers, but only to a very small extent. In nine out of ten aspects of their behaviour, they preferred to adhere to the American style of management (p. 662).

In a country like South Korea which is highly influenced by American political and economic support, such behaviour may have successful outcomes. But in other countries managers who do not change their behaviour may face a role shock (Byrnes 1966) which reduces their ability to cope with their role senders. In severe cases inability to cope with the immediate host environment could lead to a mental breakdown (Caplan & Lipsedge 1983).

Byrnes found that the ambiguity in the expatriate managers' role created problems in their relationships with host country counterparts and in their communication and participation in the host country's general environment. Consequently managers prefer to adopt a low-key presence and sometimes have to be repatriated. In a study conducted by the Firth organisation, it was found that 10% of male managers sent overseas for three or four years return prematurely in less than two years, and that 90% of such cases are due to the unhappiness of their wives (Hill 1983).

These findings and others indicate that probably the most important (however, not necessarily the most influential) role senders of the expatriate managers are their families (Purcer Smith 1970). In a survey conducted by Baker and Ivancevich (1972), this was mentioned by expatriate managers as the most crucial factor influencing their own effectiveness. Family and wife adjustment has been pointed out as one of the most important factors for expatriate managers' success in their job in the host country (Renshaw 1976; Voydanoff 1980).

3. Predictions - The Behaviour of Expatriate Managers

Research based on Role Theory has revealed some correlations between characteristics of roles and other organisational and personal attributes. These findings may be used for predicting expatriate managers' behaviour.

A. Multiple Roles - Some predictions were made regarding role occupants who have multiple roles. First, it was found that multiple roles are increasingly evident as one moves up the hierarchy in large organisations (Katz & Kahn 1978; p. 198). It is reasonable to believe that expatriate managers are no exception to this rule.

The supporters of the role-theory argue that in order to be effective abroad, managers (and their families) must change their behaviour and adjust to the host country requirements. This approach postulates that successful managers are those who are capable of closing the gap between the norms of the role sets in the parent country and that of the role sets in the host country by means of their managerial behaviour. At the same time, a very influential part of the role set of expatriate managers - the HQ officials who nominate the managers and are responsible for their reallocation - expect the expatriate manager to adhere to the objectives, policies and norms of HQ.

Thus, expatriate managers who perceive their HQ officials as the most influential role senders will give priority to HQ expectations and will continue to behave in accordance with HQ norms.

Expatriate managers who see their host country role senders as the most significant factors for promoting their own success, will give priority to the norms of the host country.

Another phenomenon which was observed is the dual role of supervisors. People in these functions are members of two sub-systems - the managerial structure and the unit supervised. In this position the supervisor is exposed to dual role sets and to two conflicting sets of expectations (Roethlisberger 1945).

It is therefore expected that expatriate managers in lower positions (which are not actual supervisory positions, but very close to it) will have a more intensive dual role set than managers in upper levels. It is predicted that as a result of this intensity, expatriate managers in the lower managerial positions, will tend to adopt some of the norms of the host country quicker and in a more intensive manner than managers in upper positions.

B. Role Conflict - Consequences - It was found that in every occupational category, role conflicts were associated with negative psychological responses on the part of the focal person (Bible & Brown 1963).

The most documented outcomes of role conflict are job dissatisfaction and job related tensions (House & Rizzo 1972; Beehr, Walsh and Taber 1976; Brief & Aldag 1976; Miles 1976A; Brief, Aldag, Van Sell & Mellone 1979). Yet, there is no agreement about the correlation between role conflict and dissatisfaction and tension.

Hamner & Tosi (1974) reported a positive correlation between role conflict and job threat and anxiety among a sample of managers, but no relationship between role conflict and job satisfaction. Role conflict has been demonstrated to be correlated with several other organisationally dysfunctional outcomes including lower commitment to the organisation (Baird 1969); perceived inadequate leader behaviour (Rizzo et al 1970); less confidence in the organisation (Kahn et al 1964); and unfavourable attitudes toward role senders (Miles 1976B).

It is therefore predicted that expatriate managers will tend to present less commitment to the organisation and will have less confidence in the organisation than HQ officials or even host country managers in the subsidiaries. In addition it is predicted that they will tend to identify a greater gap between the desired and the existing leadership style of their immediate supervisors than HQ officials or host country managers.

C. Role Ambiguity - Experimental and longitudinal studies of role ambiguity reveal that lack of clarity about behavioural expectations causes a greater concern with own performance, lower actual and perceived group productivity, less concern or involvement with the group, lower job satisfaction, unfavourable attitudes toward role senders and increased tension, anxiety, depression and resentment (Caplan & Jones 1975). Consequences of role ambiguity look similar to those stemming from role conflict. However, low self confidence and a sense of futility seem more specific to the ambiguity experience (Kahn et al 1964). Role ambiguity was also believed to be associated with a feeling of lack of participation in job related decisions (Tosi & Tosi 1970). However, Hamner and Tosi (1974) reported no relationship between role ambiguity and lack of participation in their study of managers.

It is not clear whether role ambiguity of expatriate managers is greater or less than the role ambiguity of HQ officials or of host country managers. However, it is argued that expatriate managers in their first year in the host country have to learn new roles. Therefore they have more ambiguity in their roles than managers who have not changed their positions. Thus, it is predicted that expatriate managers in their first year in the subsidiary will present a higher level of tension and stress than local managers or HQ officials. In addition they will suffer from a higher level of stress than expatriate managers who have already completed their first year in the subsidiaries.

There are some predictions of role theory that have not yet been tested. They suggest causality between some interpersonal factors and the focal person's role conflict and ambiguity.

Among these factors are the power of role senders, their functional importance to the focal person and the communication frequency between role senders and focal persons (Pfeffer & Salancik 1980;). In addition, studies of the correlation between organisational level and role conflict and ambiguity (Schuler 1975; Rogers and Molnar 1976; Whetten 1978) are contradictory in their findings and no clear conclusions can be drawn.

These findings will not be used to make predictions regarding behaviour of expatriate managers. However, they may be employed later to explain some of the findings of the present study.

4. Summary

The role theory describes behaviour of managers in terms of their roles. It proposes that differences in expectations of role senders will result in different modes of behaviour. In addition role ambiguity and role conflict influence managers' behaviour.

There are three main groups of managers in MNCs: HQ officials, expatriate managers and host country managers. As a result of their different roles these three groups of managers are expected to differ to some extent in their attitudes towards the organisation.

It is predicted that since expatriate managers have dual and sometimes multiple role sets, they will tend to change their behaviour in order to satisfy expectations of role senders which are located in different sub-systems.

Chapter 5: THE THEORY OF POWER

The third theory to be analysed is the theory of power (McClelland 1975; Mulder 1976, 1977). It is based on human needs for power, and on both formal and informal exercise of power in organisations. It suggests that one explanation why managers are willing to be transferred abroad is in order to increase their chances of need fulfilment (Maslow 1943; Alderfer 1972). Since one of the major needs of high level managers is the need for power (Mulder 1977; p. 46), this theory would predict that high level expatriate managers would change their managerial behaviour and use more power in the host country.

The following chapter describes and classifies different concepts of power, authority and influence. It explains the behaviour of managers in organisations in terms of power motivation and the use of power, and integrates the descriptions and the explanations into some predictions.

1. Description

The subject of power has been extensively studied in many different frameworks (Weber 1947; Dahl 1957; Deutsch 1963; Mulder 1977; Pfeffer 1982). Two main concepts of power will be described and explained here: a) the sources of powers both as a human motive and as a factor which is external to the human entity and b) the use of power in organisations. This classification will later be used in order to explain findings of studies which have analysed behaviour of managers in organisations.

A. Definition

It can be demonstrated through the many definitions of the concept of power that there is no definite agreement among scholars about what power is and how it is being used in a social context. Power was defined by Weber (1947) as "the probability of one actor within a social relationship being able to carry out his will despite resistance regardless of the basis on which the probability rests" (p. 53). Bell (1975) defined power as "... a certain relationship, embodied in a communication, by which A presents B with an 'offer' to which is attached a contingency in the form of a reward (promise) or a penalty (threat)" (p. 21). Another definition is proposed by Mulder (1977): "Power - the potential to determine or direct (to a certain extent) the behaviour of another person/other persons more so than the other way around" (p. 90).

The three definitions presented here agree that:

1. power refers to certain forms of human relations, that is, this phenomenon exists only in a plural setting where two or more people interact with each other.
2. A real, or perceived, negative or positive force is applied and in Mechanic's (1962) words: power is "... any force that results in behaviour that would not have occurred if the force had not been presented".
3. Resistance or a contradictive power is exercised.

B. Classification - Power, Influence and Authority

Bell (1975) suggested that whenever all these three elements are not present in human relationships other terms should be called upon. He argued that power should be differentiated from influence. While any kind of force, in a way of negative or positive reinforcement, is needed in order to exercise power, influence could be defined as "... a communication intended to affect the action of B in the absence of sanctions (Bell 1975; p. 24).

Following this argument, Bell says that another term which is very frequently mixed up with the concept of power should be isolated. This is the term "authority".

The Oxford English Dictionary has two major categories for the term authority that parallel the distinction between influence and power. The first set of definitions focuses on the interpretations of authority in terms of the capacity "to enforce obedience" - which means that a force is used as part of the demonstration of authority. The second set of definitions explained authority as "... the capacity to influence action, opinion, beliefs ...". Thus, there are two components to authority, one in which force is used and the other one in which there is no need to use force because no resistance is present.

This classification makes it clear that influence on the one hand, could be achieved by advice-giving and persuasion - when no resistance is presented by the subject. Authority, on the other hand, is a formal device which is given to a person in an organisation in order to overcome resistance. But it is not necessarily true that a person who has the authority, has to use it. Authority therefore exists with or without the presence of any resistance.

The dichotomy falls in line with the distinction between the objective aspects of authority (lines of authority and communications channels) and its subjective aspects (the values and attitudes of organisational members) which was presented by Chester Barnard (1938).

Both as exercise of formal power or as the use of informal influence, authority usually operates in the organisational context. Herbert Simon wrote: "organized behavior ... results when each of the coordinated individuals sets for himself a criterion of choice that makes his own behavior dependent on the behavior of others. In the simplest cases he makes his own decision at each point as to what those adjustments should be. In slightly more complex forms of organization, he sets himself a general rule which permits the communicated decision of another to guide his own choices ..." (Simon 1957; p. 125).

Authority, therefore, could be seen as impersonal way of using power in the context of formal organisation. In this respect it is a vast improvement over either power (which may breed hostility) or influence (which is unstable). This does not mean to say that where authority prevails, power and influence vanish. On the contrary, all three tend to co-exist.

In reality, individuals who have authority in their institutional positions, can also use power and influence. They "threaten" to fire subordinates, "promise" to recommend them for promotion, or "convince" them that implementation of a certain policy will result in better rewards to the individuals than the execution of another policy. Thus underlying their authority are both power and influence, which can be used as alternatives of securing compliance. This argument follows Barnard (1938) who suggested that both subjective and objective conditions must be present to permit authority to exist.

Accordingly, when managers apply what is known as autocratic leadership style in practice it means that they apply more of their formal authority and less influence, and force their subordinates to achieve the goals of the organisation (as perceived by the managers). Thus, the managers fail to use the alternative bases of authority which are available to them and use the formal authority which results from the position that they hold in the organisation.

Much of the literature on power, authority and influence, is concerned with identifying and elaborating on power bases.

C. Power Bases

Weber (1948) defined three types of authority, each one of which is based upon a belief:

- a. Charismatic - Belief that an individual or group is endowed with supernatural or superhuman abilities to make decisions for a collectivity.

- b. Traditional - Belief that a certain form of rule "has always existed" or "has been around for a long time" and is therefore to be preferred to innovations that are untested.
- c. Rational / Legal - Belief that the existing system embodies at the highest level norms of efficiency, effectiveness, etc. which are protected by certain constitutional or statutory guarantees affecting both the substance of decisions and the procedures followed in selecting those who occupy positions of authority.

French and Raven (1959) identified five bases of power: reward, expert, referent, coercive and legitimate. Hickson et al (1971) classified three bases of power: coping with uncertainty, centrality and non-substitutability. Pettigrew (1973) defined five power bases. They are: system relevant expertise, political access and sensitivity, control over information, assessed stature and group support.

2. Explanation

The question that interested students of power was what are the sources of power and where does it come from? Why do people use power at all - both in the exercising side and the receiving side?

Two main schools refer to these questions:

1. Power as a basic human motive (like sex) which tends to appear as a result of human interactions - in pairs, in groups or in organisations.
2. Power as a desired device for the achievement of personal, collective and organisational objectives.

These two concepts are not mutually exclusive. They also have not been traditionally presented in this way. However they are classified here in order to demonstrate the vast mixed theories and findings in the field of power.

A. Power as a Motive

One of the first to identify power as a strong motive was the psychoanalyst Sullivan (1947). He wrote: "the biological strivings for power ... (are) ordinarily more important in the human being than the impulses resulting from a feeling of hunger or thirst" (p. 6). This review of power as a biological need has been recognised by other students of psychology of social developments like Freud (1921) and Erikson (1963). McClelland (1975) used their work to classify power orientation in two dimensions which characterise the development of every human being:

- a. the source of the power- internal or external.
- b. The object of the power- the self or someone or something outside the self.

In addition, McClelland distinguished between what he called personalised power and socialised power. The former is characterised by dominance - submission and win-lose orientation. Men with personalised power perceive life as a "zero sum game" in which "if I win you lose" or "I lose if you win". Satisfaction, therefore, derives from conquering others. In contrast, men with socialised power seem to have more hesitation about expressing power as being exercised for the benefit of others and they feel a greater ambivalence about the exercise of personal strength. Thus, socialised power involves a subtle mix of power motivation and inhibition. Power motivation is mixed with a degree of altruism and pragmatism. Satisfaction is derived in many ways that are effective and not by self-aggrandisement (p. 258).

The distinction between personalised power and socialised power is interesting in the context of the MNC. The question whether expatriate managers are more socialised (people orientated) or more personal/organisational orientated in their motives than HQ officials has not been addressed in the past. However, it will be touched upon in the forthcoming chapters.

The explanation of power as a human motivation represents the first of the two schools of power to be discussed. The alternative explanation proposed by the "organisations as structures of power" school is presented below.

B. Power in Organisations

The view of organisations as systems of power (and more accurately as systems of authority) is directed towards the end-result of predicting efficiency. It proposes that the perception of organisations as sets of authoritative communications could eventually lead to the improvement of the process of communication and hence lead towards more efficient organisations. This view is proposed by Bell (1975). He described organisations as sets of communicated decisions that guide the choice of others and authority as a mechanism for co-ordinating actions among individuals.

He claimed that when authority functions properly a hierarchy of superior-subordinate relationship is established. Individuals (or groups) are assigned tasks and things get done. This division of labour is formalised in rules or customs which lay out procedures for taking decisions and also ensure that decisions reached at one level will be acted upon and implemented by the second level.

In order for authority to function effectively as a mechanism of co-ordination in organisations the following are required:-

1. Indoctrination in the standard rules of organisational procedures.
2. Socialisation of organisational members to the privileges and obligations attached to each position in the status hierarchy.
3. Adequate communications networks and channels to provide a medium for the expression of authoritative decisions (Bell 1975; p. 63).

Barnard (1938) suggested that under three conditions people will comply with the authoritative communication addressed to them:

1. They can and do understand it.
2. They believe it to be compatible with the purposes of the organisation and with their personal interests as a whole.
3. They are physically and mentally able to comply.

Barnard indeed explained that experienced managers will avoid issuing an order, which is unlikely to be carried out because it violates one or more of the above criteria for authoritativeness. To do so would undermine their authority.

More recently Guirdham (1982) identified three elements which might interfere with the process of exercising power in organisations. They are as follows:

1. Misperceptions - on behalf of both the person exercising the power and the subject of the power. Each one of them might make a mistake regarding: a) own relative power, b) opponent relative power and alternative bases of power which are available to the other, and c) existence or non-existence of resistance.
2. Conflict - if both parties involved in the process do not want or cannot ease the pressure to comply, or the resistance to obey, then a conflict may arise. Sometimes the process of conflict is necessary in order to help the parties identify their resources (power bases) but sometimes it could result in catastrophic consequences on both sides.
3. Norms and Values - the will to go into power relationships, the patterns of behaviour which are presented in the process and the expectations for the final results are culture bound and vary from culture to culture. Thus, individuals who have different norms and values might find it a complicated and hurtful exercise.

C. Relationship between Power Motive and Authority in Organisations

The view that exercise of power is not only a "built-in" human motive but also an unavoidable positive factor in management of organisations is supported by some well known theoreticians. They suggest that managers who like to be efficient in organisations must present strong motives for power which fit the authority system of the organisation. Zalesnik wrote in 1970 that: "Whatever else organisations may be (problem solving instruments, socio-technical systems, reward systems, and so on) they are political structures. This means that organisations operate by distributing authority and setting a stage for the exercise of power. It is no wonder therefore, that individuals who are highly motivated to secure and use power find a familiar and hospitable environment in business" (Zalesnik 1970).

Miner (1965) found that positive attitudes toward authority, competitive motivation and power motivation are consistently associated with success in large administrative organisations.

Bower (1966) who looked at bureaucratic organisations believes that the "success of any company will be increased if its top managers possess, in addition to the will to succeed, a strong determination to manage" (p. 5). In other words, successful managers are those who present a strong need for power. Cummin (1967) found power motivation to be related to managerial success.

This approach which suggests that the authority system in organisations must be met by power motivated managers was adopted by McClelland (1975). He viewed power motivation as the essential ingredient for understanding and predicting managerial success. He stated that power motivation may be manifested in behaviour in a variety of ways. Different individuals develop different characteristic modes of expression - one of which is managing. In part, at least, the mode of expression is a function of the stage to which the power motive has developed in the individual. There is a hierarchy of four levels of development and people must experience one stage to reach the next. A summary of the four stages of power and their influence on managerial behaviour is presented in Figure 5.1.

Figure 5.1 : Relation of Power Motivation and Inhibition
to Maturity and Leadership Potential*

Stage	Power Motivation	Management Style
I	Low power motivation	Not assertive enough to provide good leadership, except in certain situations.
II	(Relevant to the issue of maturity but not relevant to the subject of Leadership)	
III(early)	High power motivation coupled with low inhibition	The "Conquistador" personal power. Personal dominance pattern particularly if need affiliation is also low.
III(late)	High power motivation coupled with high inhibition	The imperial motivation pattern. Particularly if affiliation is also low. Ruthless, efficient organising tendencies. Shades into altruistic socialised power.
IV	High power motivation coupled with high inhibition and high stage IV scores (low affiliation motivation).	Selfless leadership, efficient organising tendencies.

* Adapted from D. C. McClelland, 1975, p. 264.

Figure 5.1 sets forth the theoretical relationship between the various types of power motivation and managerial performance. At stage 1 power motivation involves seeking to derive strength from others. Stage 2 is not presented since the source of strength shifts to the self, having little to do with others, and is therefore irrelevant to leadership. At stage 3 power motivation does involve impact on other people, including dominating them. Also included at this stage is the satisfaction of power needs through helpful behaviour, which clearly establishes the weaker status of the person helped. At stage 4 the self moves into the background, and a feeling of power is derived from influencing others for the sake of some greater good, such as organisational success.

The characteristics of the effective institutional managers were described by McClelland and Burnham (1976). They found that at late stage 3 and at stage 4 a positive manager's power motivation is not orientated toward personal aggrandizement but towards the institution which he or she serves. These institutional managers have the following characteristics:-

1. They are more organisation minded than people minded and they believe strongly in the importance of centralised authority.
2. They like to work (in contrast to high need for achievement managers who like to get out of work by becoming more efficient). Managers who have a need for institutional power actually seem to like the discipline of work. It satisfies their need for getting things done in an orderly way.
3. They seem quite willing to sacrifice some of their own self interest for the welfare of the organisation they serve.
4. They have a keen sense of justice. They feel that if a person works hard and sacrifices for the good of the organisation, he/she should get a just reward for his/her effort.

McClelland and Burnham (1976) suggested that the effective organisational manager begins to emerge in late stage 3 and proceeds into stage 4. However, individuals at early stage 3 may function effectively in some managerial roles.

The factor of affiliation which differentiates the early and late stage 3 can make the difference as to the manager's success in a certain role. Thus, on one hand, if affiliative needs are too strong, the consequences for managerial effectiveness are said to be negative in highly differentiated structured managerial jobs (McClelland 1975, p. 103).

On the other hand, McClelland (1975) does accept the formulation originally proposed by Litwin and Siebrecht (1967) that for managers who perform in an integrator role - such as project and product manager, a more balanced motivational pattern is desirable, perhaps even with affiliative needs stronger than power needs.

Winter (1973) criticised McClelland's socialised/personalised differentiation. He argued that power cannot be so neatly divided into good and bad and both aspects of power motivation are mixed (p. 163).

Levinson (1969) compared the competitive battle to advance within an organisation to the childrens game "King of the Hill". Unless a person enjoys playing that game, he is likely to tire of it and give up the struggle for control of the top of the hill. The power game is part of management and it is played best by those who enjoy it most.

Livingston (1971) pointed out that the power drive that carries men to the top also accounts for their tendency to use authoritarian rather than consultative methods of management. He suggested that "Few men who strive hard to gain and hold positions of power can be expected to be permissive, particularly if their authority is challenged. Since this satisfaction comes from the exercise of authority, they are not likely to share much of it with lower lever managers who will eventually replace them even though most high-level executives try diligently to avoid the appearance of being authoritarian" (p. 87).

Livingston observed the same style of managerial behaviour in lower level managers. They believe that better results would be achieved if top management shared more authority with them even though they, in turn, do not share much of it with their subordinates.

Veroff and Veroff (1972), take the position that the exercise of power in organisations is primarily a negative process involving the avoidance of feelings of weakness. A similar view is presented by Levinson (1973). He argues that managers exercise power because they are fearful of losing control. "When an executive's whole life thrust has been to obtain a position of power and control, he finds it particularly threatening to witness his power eroding" (p. 73).

Levinson continues, "some people.....pursue executive careers to obtain power over others as a way of compensating for real or fancied personal inadequacies, or as a reaction to an unconscious sense of helplessness. Their pursuit of control blinds them to their own subtle feelings and those of others" (p. 74). Although McClelland would agree that such motivation exists, especially in the early stages of motivational development, it is certainly not his prevailing view of power in the organisational context.

An even more extreme view is taken by Mulder who argues that the exercise of legitimate or illegitimate power will produce the same results in the main (p. 17). He believes that "... in our culture the personality theory that people with great self confidence, expert power and willingness to lead when necessary, are most suitable to exercise power forcefully, seems to be the starting point for most individuals" (p. 54). In the case that the subjects discovered that the leader lacks self confidence, which stems from the fact that he/she did not exercise sufficient power, they define this situation as a gap in leadership which they would try to fill.

There is insufficient comparative empirical research at present to judge which theory can better predict the relationship between power motivation in general and managerial success. However, because of its general nature and wide scope McClelland's theory of power is adopted here as a theory which may predict change of behaviour of expatriate managers. The following section describes cross-cultural studies which focused on various aspects of managers' power.

D. Cross Cultural Studies of Managers' Needs

There are several cross-national studies of the needs of managers in organisations. However, most of them focus on the subject of participation and not directly on the subject of power. For example, Tannenbaum (1980) in his review of the literature on cross national comparisons in organisational psychology found that there is general support across countries for the concept of participation. Tannenbaum and Cooke (1979) in a review of studies in fourteen countries found that the phenomenon of upper levels having more authority and exercising more influence than do lower levels in organisations is a universal one and it is true in every working organisation in the world. Porter (1962) found that people in organisations want more than they see themselves as having. Furthermore, the deficiency is greater near the bottom of the organisation than the top. This finding repeats itself in many other studies around the world. Thus, Tannenbaum (1980) concluded that "the more positive reaction of people near the top of a hierarchy than of those near the bottom, which seems universal in organisations, appears to be explained in part by another underlying universality: the hierarchial distribution of control in organisations".

Haire, Ghiselli & Porter (1966) in a huge cross cultural questionnaire based study found that in all cultures studied, there was a tendency to regard democratic methods as the best methods of leadership. At the same time, the majority of managers had little faith that the average individual has the capacity for initiative and leadership. This discrepancy suggests that managers were more progressive in ideology than in practice.

In the same study, 3641 managers in 14 countries were asked about need satisfaction.

Across all countries two needs stand out as unsatisfied: the need for authority and the need for self actualisation. The researchers concluded that there are two parts to a common motivational core in all business cultures: self determination and self realisation. When differences between management levels were analysed, upper management in the USA expressed a more authoritarian philosophy than middle management. In England, a contradictory finding came about: the higher the level of manager's position, the greater the tendency to express a participatory democratic attitude.

These findings could be explained in Mulder's Power Reduction theory terms (1977). He argued that participation in representative groups by the less powerful persons in an organisation offers a good opportunity for the powerful to present their knowledge and use their skills in the presence of the less powerful. Thus, "more participation in decision making will not reduce but increase a greater power distance" (p. 14). It is possible that in the U.S.A., where there are not big differences between social classes, managers were afraid that employees of working or middle classes could corrode their power positions.

Similarly, in the U.K. where the differences between the social classes are more salient, the managers might have enjoyed a high level of certainty that, because of their employees' inability to criticise their decisions, they are even going to increase their power in the process of "participation".

Alpander (1973) compared the behaviour of American expatriate managers in subsidiaries of MNCs with their past behaviour in the United States. The managers were asked to complete questionnaires dealing with their philosophy of management and supervision and their attitudes towards immediate subordinates and their approaches to motivation.

Seventy five expatriate managers in numerous unnamed countries responded. They provided information on their experience in the subsidiary and on their previous situation at HQ before they had been transferred.

The main findings of that study were as follows:

- a) Overseas subordinates were perceived by expatriate managers to be more resistant to their management but also more loyal to the company than their previous subordinates at HQs.
- b) Overseas subordinates were perceived by expatriate managers to match McGregor's type X employees while previous subordinates at HQ in the US were perceived as corresponding with the type Y.
- c) Overseas subordinates were perceived by expatriate managers to be mostly motivated by extrinsic factors (wages, working conditions, fringe benefits, etc.) while previous American subordinates of the same managers were perceived to be mostly motivated by rewards that are obtained only if the job itself contributes to need satisfaction.

Alpander's conclusion was that expatriate managers have become more authoritarian in their decision making style when taking jobs overseas, than their previous style at HQ in the parent country.

The findings are questionable because of the weakness of the method of research that was applied. Since the method used was that of self assessment, without any cross-validation by other means, the same results could have been obtained from managers who changed their positions on national levels, and not necessarily from expatriate managers who were transferred abroad. Another weakness of the study is that it is based on recall by the expatriate managers and on post-hoc perception of their own behaviour, rather than on the measurement of the same phenomenon in two different points in time (before and after) or upon the measurement of the actual behaviour of the two different groups of subordinates.

Another disadvantage of the study is its spread over many unnamed countries, with no discrimination as to the country in which the respondent functioned. In spite of the disadvantages, this is one of few studies that approached directly the question in focus, and hence, can supply some guidelines for the present thesis.

It is important to stress, however, that the findings of the studies mentioned here are related to self perceived attitudes of managers, while McClelland's findings regarding level of authoritarian behaviour were based upon responses to TAT's (Thematic Apperception Tests) which deal with the unconscious projection of personal needs rather than with possible socially biased statements about it.

3. Predictions

Hofstede (1980) proposed that "the adaptation of a manager to a higher power distance environment does not seem to offer many problems. Managers in all settings probably learn to behave as autocratically as their subordinates allow them managers moving to a large power distance culture soon learn that they have to behave more autocratically in order to be effective, and they do so The operation of a manager in an environment with a power distance norm lower than his own is more problematic. It is easier to move toward more than to move toward less autocratic behaviour" (p. 380).

Hofstede's prediction, which is not substantiated by his own scientific findings, is supported by the theories of Bower (1966), McClelland (1976), and Mulder (1976) and is also in line with Alpander's (1973) findings. However, further and more specific predictions could be proposed.

First, McClelland's theory of power argues that managers in earlier stages of their career will tend to present different patterns of the use of power than managers in later stages of their career. It also suggests that managers in more integrative functions will tend to use power in a more socialised way than managers in specialised roles.

Therefore, it is predicted that, in general, expatriate managers tend to increase the use of their authoritarian power (use the coercive bases of power available to them) upon international transfer more than managers in similar levels and similar specialisations at HQ of the same organisation, who have not been appointed to subsidiaries abroad. It is also predicted that since expatriate managers are usually appointed to subsidiaries in responsible top positions, they will tend to exercise greater use of their authoritarian power than local managers in the same subsidiary.

And last, it is predicted that managers in higher positions, regardless of their role (HQ officials, expatriate managers, or local managers in subsidiaries) will manifest more authoritarian use of power than managers in lower positions. In other words, the higher the position of the manager, the more authoritarian behaviour he/she will use.

4. Summary

The theory of power classifies three different concepts of the manipulation of subordinates by their superiors, which aims to achieve the objectives of the organisation - they are power, authority and influence. It continues and describes different classifications of power bases and explains how they are used to satisfy personal needs and to achieve organisational goals.

In the international set-up, it is argued that managers who are transferred from a country in which the prevailing norm is of a small power distance between managers and subordinates to a country in which the norm is of a large power distance will change their behaviour accordingly. However, it is not clear at all what happens when the transfer of the managers is in the opposite direction.

The numerous studies of power described in the chapter are used to generalise some basic predictions regarding Power behaviour of expatriate managers as follows:

Expatriate managers in different stages of their career will tend to use power in different ways. In addition, expatriate managers will tend to exercise more power than HQ officials or host country managers in similar positions. As for managers in general, the higher their position, the more power they exercise, regardless of their role in the MNC.

Chapter 6: C U L T U R A L B E H A V I O U R -
T H E D E P E N D E N T V A R I A B L E

There are many cross-cultural studies in the field of social sciences but most of them fail to define "culture" in an operational form (McClelland 1961; Haire, Ghiselli & Porter 1966; Tannenbaum 1968; Negandhi & Prasad 1971; Triandis 1973; England 1975; Redding & Casey 1976; Child & Kieser 1979; Lammers and Hickson 1979).

These studies attempt to reach a definition of culture indirectly through the definition of residual variables such as geographical borders, religions, names of countries etc (Adler 1982). The main reason for this practice is the difficulty in identifying the measurable variables which make up culture when a research population as large as a nation or a people is being studied.

Hofstede (1980) suggested a new theory which defines operationally the dimensions which make up culture. He identified four main dimensions along which dominant value-systems in the 40 countries can be ordered: Power Distance, Uncertainty Avoidance, Individualism and Masculinity. Hofstede sampled more than 116,000 managers in 40 different countries in different managerial positions in subsidiaries of a multinational electronics company. He used techniques such as factor analysis and stepwise regression, backed by existing theoretical literature, of ten different disciplines including psychology, sociology, anthropology and politics. He computed a national score on each dimension for each of the 40 countries. A short description of the four dimensions is presented below.

1. Power Distance

The first dimension of a national culture defined by Hofstede is Power Distance. It follows Mulder's (1976;1977) Power Distance Reduction Theory which suggests that subordinates try to reduce the power distance between themselves and their superiors while the superiors try to maintain or even enlarge this distance.

Hofstede (1980) assumes that superior-subordinate relationship is a basic human relationship which bears resemblance to even more fundamental relationships earlier in life; that of parent and child and teacher and pupil. Both as superiors and as subordinates, people carry over values and norms from their early life experience. Since family and school environments differ among cultures, one could justifiably expect to find the traces of these differences in the exercise of power in organisations. Hence, the equilibrium level of power distance between superiors' and subordinates' power is socially determined. Hofstede defines power distance between a boss B and a subordinate S in a hierarchy as "the difference between the extent to which B can determine the behaviour of S and the extent to which S can determine the behaviour of B" (p. 99). This definition is very close to Mulder's.

2. Uncertainty Avoidance

The second dimension of national culture defined by Hofstede (1980) is Uncertainty Avoidance. It follows Cyert and March's (1963) use of the same expression (p.118).

A number of researchers use the idea of uncertainty in different conceptual frameworks (Simon 1957; March & Simon 1958; Lindblom 1959; Burns & Stalker 1961; Cyert & March 1963; Lawrence and Lorsch 1967; Weick 1969; Cohen, March & Olsen 1972; Starbuck 1976; Ansoff 1978; Katz & Kahn 1978).

Pareto (1916) differentiated between 'Logical' and 'Non-logical' behaviour. Logical behaviour consists of activities "which are logically linked to an end, not only in respect of the person performing them but also to those other people who have more extensive knowledge". Non-logical behaviour consists of other activities (1976 ed.; p. 184). "What is non-logical or non-rational to a large public may seem logical or rational to the actor.... what is rational for people sharing the same culture may be non-rational to people not sharing that culture" (Hofstede 1980; p. 155).

Behaviour of managers in organisations is partially directed towards decreasing uncertainty. Managers try to reduce the internal uncertainty in their organisations by rules and instructions, organisational structure, indoctrination, socialisation, systems of benefits etc.. Managers also try to reduce the external uncertainty of their environments by analysing these environments' expectations (through market survey, space analysis and observations) and responding to and influencing these expectations in a way of public relations, cooperation and coordination, cooptation and coalitions (Pfeffer and Salancik 1975; Aldrich 1979). In other words managers are exercising means for uncertainty avoidance (Cyert & March 1963; p. 19).

The way in which managers in organisations deal with uncertainty depends on the way in which uncertainties are perceived by these managers (Duncan 1972; Jurkovich 1974; Pfeffer and Salancik 1975; Aldrich and Herker 1977).

Duncan (1972; p. 325) found that uncertainty, complexity and dynamics of the environment are dependent on the perceptions of the individual members of an organisation - some individuals may have a very high tolerance for ambiguity and uncertainty, so they may perceive situations as less uncertain than others with lower tolerance.

Downey et al. (1977) argue that perceptions of uncertainty relate to personality variables rather than to observations of environmental conditions. Hofstede (p. 157) continues this argument and claims that if perceptions of uncertainty are affected by personality variables, it is likely that they will also be affected by cultural variables. If different societies deal with uncertainty in multi-various ways, this should affect the style in which they build organisations that cope with uncertainty.

Some studies (Crozier 1964; Inkson et al. 1970; Perrow 1972; Gambling 1977; Zuboff 1982) argue that not only individuals, but also the managements of organisations cope with uncertainty and try to reduce it by the use of technology, rules and rituals. Technology (like automation of a process) presents people in organisations with some level of certainty as to the end product. Rules reduce the internal uncertainty in organisations, by controlling the behaviours of the members of the organisations and funnelling them into predictable desirable channels.

Rituals in organisation can be classified into two groups: the social rituals and the uncertainty avoidance rituals (Dandridge et al. 1980). In the first group, rituals like business meetings and management development programmes could be identified. In the second group, there are rituals like memos and reports, manuals, procedure books and rigid time schedules.

3. Individualism

The third dimension of a national culture is entitled "Individualism". This heading refers to the relationship between the individual and the collective in human society and also to societal norms. Since the norms of a population are included in this dimension, Hofstede claims that individualism affects people's mental programming and hence, the structure and functioning of almost any social institution: educational, religious, political and utilitarian (p. 214).

Researchers deal with the issue of individualism versus collectivism in different ways. Blumberg and Winch (1972) looked at the anthropological aspects of the relationship between family complexity and the level of development of a society. David Riesman (1953), while analysing the positioning of an individual within the American society, referred to the self-concept aspect of individualism. A similar approach was taken by Fayerweather (1960), who argued that individualism "describes the attitudes of independence and liberalism of the man who feels a large degree of freedom in the conduct of his personal life" (p. 23).

But one of the first who established the distinction between society of "individuals" and community was Tönnies (1887) by introducing the terms Gemeinschaft and Gesellschaft. Parsons and Shils present a similar approach in their "General Theory of Action" (1951). They include a variable named "Self Orientation versus Collectivity Orientation" in their pattern variables. This is the second variable, among the five described (p. 77).

Hofstede claims that in spite of the fact that this variable is not mentioned again in Parson's later work (1977), the third pattern variable, which appears in this later work and which is entitled "Universalism versus Particularism" is related to individualism (p. 217).

Schein treats the measure of individualism as "innovation" (Schein 1968). At the same time that an organisation is attempting to put its distinctive stamp on individuals, they are striving to influence the organisation so that it can better satisfy their own needs and their own ideas about how it can be best operated. Schein found that the impact of individualism is likely to be greater towards the middle or the later part of a manager's career with the organisation rather than in the early stages (Schein 1971). Schein does not agree with the idea that the level of conformity to the organisation can be stabilized. He suggests that "to remain creatively individualistic in an organisation is particularly difficult because of the constant resocialisation pressures which come with promotion or lateral transfer. With each transfer, the forces are strong toward either conforming or rebelling", and he concludes that "It is difficult to keep focussed on what is pivotal and retain one's basic individualism" (1968; p. 10).

Hofstede (p. 218) agrees that the degree of individualism in organisations depends on many other factors besides societal norms. Educational level of employees and organisations' subcultures, as well as their size and technology, can affect the level of individualism.

4. Masculinity

The fourth cultural dimension is defined by Hofstede as Masculinity, with its opposite pole, Femininity. After the duality of life and death, the second duality with which each society has to cope is that of female and male (Chetwynd & Hartnett 1978; p. 3). According to Mead (1962) males envisage different life achievements from females. While women can have an irreversible achievement by giving birth to their children, men have to redefine their objectives again and again in their efforts to make an irreversible achievement.

Studies confirm the male assertiveness, female nurturance pattern (Barry et al. 1959; Bem 1974; McClelland 1975, ch. 3; Spenner & Featherman 1978). Barry et al. (1959) analysed anthropological reports of 110 mostly non-literate societies. They found that in most cases, girls are socialised toward nurturance and responsibility and sometimes obedience. Boys are socialised towards achievement and self reliance.

McClelland (1975) reviewed the American psychological literature. With no exceptions he found that boys and men tend to be more assertive and girls and women are more sensitive to social interdependence. The sociological American literature was analysed by Spenner and Featherman (1978) who found that men have higher achievement ambitions than women.

Williams et al. (1977) conducted a comparative study of sex role stereotypes in Great Britain, Ireland and United States. They found that the role stereotypes for both males and females in the three countries are similar. Male behaviour is expected to be aggressive, exhibitory, dominant and autonomous. Female behaviour is expected to be nurturative, affiliative, helpful and humble. One exception to this universal Western concept of the roles of male and female was found in Israel - in the Kibbutzim. In these communities deliberate attempts are made to abolish sex stereotypes. Even there, these attempts do not always succeed (Quinn 1977; pp. 191-193).

The dimension of masculinity versus femininity was measured by Bem (1974). He developed a Sex Role Inventory of adjectives describing human beings. In laboratory experiments students were asked to describe themselves. Bem (1975) and Bem et al. (1976) found that students can be divided into four groups according to their self descriptions: masculine, feminine, androgynous and undifferentiated.

Some researchers try to differentiate between the work goals of males and females. Herzberg et al. (1957; p. 52) summarised the results of nine American studies of the differences in work goals between males and females. They conclude that the more important work goals for men are advancement and earning, and for women - supervision, social aspects of the job, working conditions, working hours and ease of work.

Crowley et al. (1973; p. 446), added four studies to Herzberg's sample and conclude that:

- a. Women are more concerned than men with the social aspects of their jobs, particularly with having good relationships with co-workers.
- b. There is no empirical support to the claim that women are less intrinsically orientated than men.
- c. Sex differences in work goal importance are small and tend to disappear when the inputs of educational and occupational level are kept constant.

Manhardt (1972) surveyed 666 new entrants in a large American Insurance Company between 1966 and 1970. When he matched men and women by level of education he found some differences in their ranking of work goal importance. Men considered advancement, the chance to supervise others, responsibility, working on problems critical to the organisation, earnings and creativeness to be the most important goals. Women considered congenial associates, ample leisure time, relationship with superiors, physical conditions and variety to be most important for them.

These differences between the goals of men and women were almost completely eliminated among those who stated the importance of their career as their first goal priority.

Findings of a similar nature were presented by Bartol (1976). She studied the goal importance of American business students and psychology students. She found that differences between "Business females" and "Psychologist females" were more significant than between "Business males" and "Business females". In other words, when the variable of sex was controlled, the differences in priorities of work goals were more significant among students of the same sex but in different subjects than by students of different sexes, but in the same subject.

Hofstede (1980) summarised the findings in the literature as follows:

- a. Sex differences related to importance of work goals are correlated with educational and/or occupational differences.
- b. Following Herzberg's differentiation between the work goals of males and females - women in the USA, Netherlands and France scored no differently from men regarding the job content. They scored slightly differently regarding the hygiene factors; they put more emphasis on interpersonal aspects, rendering service and physical environment, and less emphasis than men on advancement, independence, responsibility and earnings (p. 271).

Hofstede argued that these findings were not validated for women in managerial positions. He standardised Herrick's (1973) findings of his comparison between groups of male managers and female managers. He found that "...women executives score self-actualization goals as more important and social goals as less important than do men..." (p. 271). His conclusion is that women who reach higher echelons of the hierarchy know better than men how to play the masculine game.

Hofstede adopted Newson's (1978) view and distinguished between the terms male/female and the terms masculine/feminine. While the terms male and female are used in the English language to describe what is biologically determined, the terms masculinity and femininity "do not refer in any simple way to fundamental traits of personality, but to the learned style of interpersonal interactions which are deemed to be socially appropriate to specific social contexts, and which are imposed upon, and sustain and extend, the sexual dichotomy" (Newson et al. 1978; p. 28).

Masculinity and femininity are used by Hofstede to describe country characteristics rather than personal characteristics. They refer to the dominant sex role pattern in societies: that of male assertiveness and female nurturance. According to this definition of a country's masculinity, it is by no means necessary that men always actually behave in a more "masculine" manner than women, and women behave in a more "feminine" manner than men, as described by Bem. Statistically, however, men tend to behave in a more masculine style than women.

Hofstede found that high masculinity countries, in contrast to high femininity countries, are characterised by a number of features. Among them are stronger achievement motivation, greater centralisation of work, preference for higher salaries over shorter working hours, higher job stress, and assertiveness of independent decision making.

The concept of masculinity/femininity at a national level has been studied far less (McClelland 1961; Gordon 1976; McGee 1977). Thus, this dimension is less substantiated in previous research than the other three dimensions.

5. Assessment of the Four Dimensions of Culture

Hofstede's four dimensions of culture were criticised for the following reasons (Hunt 1981):

- A. The research data from which the four dimensions were identified were collected in one multinational company. As such they may represent cultural differences in the same organisation rather than national differences.
- B. While in almost every society the proportion between males and females is about 1:1, most of the respondents (106,000 out of 116,000) in Hofstede's study were males. Thus, his national scores are based on a non-balanced sampling.
- C. The theory of the four dimensions was built upon one study and was not externally validated, since the four dimensions were not used in the same form in any other study. The attempt made by Hofstede to substantiate the theory with a replication study using a control group of 400 managers in IMEDE, is criticised for being insufficient. The other 38 studies which were used by Hofstede (1980, p. 11) to give the theory an external validation did not compare similar variables.
- D. All the data in the study were collected by questionnaires. This method of data collection was not backed-up by interviews, analysis of documents or by observations. While the combination of different data collection methods is important enough when one is studying a one culture sample, it is even more important when one is studying a multicultural sample. Misinterpretation of the questions becomes more probable.
- E. While each of two dimensions - that of individualism and that of masculinity - are constructed of seven items, the two other dimensions, that of Power Distance and Uncertainty Avoidance, are each built up on the responses to only three questions.

- F. In addition to the non-symmetrical number of items used to establish the indices of differences among nationalities, Hunt argues that the selection of the specific items themselves was not sufficiently grounded in any external theory.

Further to Hunt's criticism, there are additional theoretical and methodological problems:

- G. Hofstede uses "early age programming of national values" as an explanation of the fact that cultural characteristics or national values are carried over from generation to generation. The operational variables which are used by Hofstede to measure values (Power Distance and Uncertainty Avoidance) are actually a mix of three different components of behaviour : preferences ("goal importance"), beliefs ("employees being afraid") and values ("company rules should not be broken"). Thus, Hofstede fails to differentiate between preferences which represent an affective orientation , beliefs which represent a cognitive orientation and values which represent evaluative-normative orientation (Breer and Locke 1965). Therefore, he does not really measure culture values as he claims to do.
- H. Hofstede defines a phenomenon which he calls "reverse ecological fallacy". This fallacy results from the construction of ecological indices from variables correlated at the individual level. In constructing indices at the individual level, we make sure that the items intercorrelate for the individuals. "The reverse ecological fallacy in cross cultural studies consists in comparing cultures on indices constructed for the individual level" (p. 30).

Based on this observation, Hofstede builds up his cultural indices using questions which are not intercorrelated for individuals. In addition, he includes in the same indices means of responses to one question which was measured on a Likert type scale and frequencies of responses to another question which was measured on a Thurstone's Equal Appearing Interval scale and which was transformed into a dichotomic scale (Hofstede 1980; pp. 69-70). The combination of two different scales to measure the same indice, without the application of a Multitrait Multimethod Matrix leaves a doubt regarding the reliability and the convergent and discriminant validity of the indices of Power Distance and Uncertainty Avoidance (Fishbein and Ajzen 1975; Ch. 4).

- I. Two cultural dimensions (Power Distance and Uncertainty Avoidance) were constructed from measures of preferences, beliefs and values while the other two (Individualism and Masculinity) were constructed from measures of the importance of work goals (Hofstede 1980; pp. 103,164,241).

Despite their limitations, Hofstede's four dimensions of culture are used as the dependent variables in the present study. The reasons are as follows:-

1. All the criticism of Hofstede's dimensions is of a methodological/technical nature. However, Hofstede has made a great effort and used ten scientific disciplines to substantiate his dimensions theoretically. Thus, while a criticism of the data theory does exist, the background theories were not criticised and therefore justify replications.
2. Hofstede's data have been gathered from forty different countries and from an unusually large sample of respondents. Therefore, the results may be regarded as representing populations rather than samples. Results based on populations rather than on samples are rare in cross-cultural research and therefore of special value.

3. The national scores were found by Hofstede to be relevant and to cluster sensibly for forty nations (p. 334). This finding makes the dimensions valid measures of cultural differences in these countries, four of which were included in the present study.
4. Hofstede's dimensions were measured in organisational context. Therefore they are useful in a cross-cultural study which is conducted in organisations.
5. Despite all the criticism, a replication of Hofstede's study does not exist. Therefore, it is of great interest to find out whether the methodological disadvantages of Hofstede's dimensions will show up in a replication.
6. Summary

The behaviour of expatriate managers is measured by using Hofstede's (1980) four dimensions of culture as the dependent variables. He argues that these four dimensions are culturally determined and they can be measured in the organisational context of any culture. For this reason, the four dimensions were chosen to serve as the dependent variables in this study which compares behaviour of managers in their parent country and the behaviour of expatriate managers in a host country.

Hofstede identifies four patterns of managerial behaviour - Power Distance, Uncertainty Avoidance, Individualism and Masculinity. These are explained as follows:

Power Distance is the difference between the extent to which the 'boss' can determine the behaviour of his superior and the extent to which the subordinate can influence his 'boss's' behaviour.

Uncertainty Avoidance is behaviour which is directed towards increasing the level of certainty of one's immediate environment.

Individualism is the freedom that individuals sustain in their relationship with society.

Masculinity is the dominant sex role patterns in societies.

Similarities and differences between the scores of the two groups of managers (those in the parent country and those in the host country) may indicate the influence of the parent and the host cultures on the behaviour of the managers in both groups.

In the following chapter, hypotheses regarding behaviour of expatriate managers are drawn using the background theories which are presented in previous chapters.

Chapter 7: THE HYPOTHESES

The hypotheses below are derived from the theories discussed in chapters 3, 4, 5 and 6.

1. SOCIALISATION THEORY

This study focuses on two aspects : the first one is socialisation in the parent country. This is the social adjustment of people to their home environments in their parent countries. The second one is socialisation in the host countries. This process is relevant for expatriate managers. Nationals in their parent countries cannot go through a similar process of socialisation.

A. Parent Country Socialisation

Hofstede's theory of four dimensions of culture is based on two major assumptions which must be treated carefully:

1. The four dimensions of culture are "...concerned with questions that can be assumed to represent values - that is, people's more permanent mental programming" (p. 66).
2. "The key constructs to be used... for describing mental programmes are values..(p. 19) .. nearly all our mental programmes are affected by values.." (p. 28).

In this study, the four dimensions are used as dependent variables. Therefore, it is reasonable to present alternative sets of hypotheses, each one based on different assumptions regarding the four dimensions. This set is presented in the following matrix:-

Figure 7.1: Dimensions of Culture - Four Different Approaches

ASSUMPTION	Four Dimensions are National Values	
	YES	NO
Early Age Programming is Affected by Values		
YES	A	D
NO	C	B

The four different approaches make it possible to compose the different contrasting hypotheses which are set out below:-

SITUATION A.

Assumptions:

- 1) Hofstede's theory of mental programming is correct. People's mental programmes are constructed in the first five years of their lives according to the basic values of their parent country.
- 2) The four dimensions of culture proposed by Hofstede are programmed national values.

Following these assumptions we can conclude that expatriate managers are programmed in their early childhood and they carry their mental programming with them upon the crossing of geographical boundaries in a way of fixed levels of Power Distance, Uncertainty Avoidance, Individualism and Masculinity. This approach can be tested as follows:

PCS H1A - (Parent Country Socialisation, Hypothesis 1A)

The scores of the American, British, Dutch and Israeli managers (expatriates, HQ officials and host country managers) on the four dimensions of culture will be similar to the national scores of Hofstede, regardless of the geographical location of these managers.

PCS H1B

The scores of the American, British, Dutch and Israeli HQ officials on the four dimensions of culture will be similar to the national scores of Hofstede.

PCS H1C

The scores of the American, Dutch and Israeli expatriate managers on the four dimensions of culture will be similar to the national scores of Hofstede.

SITUATION B.

Assumptions:

- 1) Hofstede's theory of mental programming is incorrect.
- 2) The four dimensions of culture proposed by Hofstede are not national values.

Following these assumptions we can conclude that the four dimensions of culture are not early age programmed values nor are they national values. They are indices compound of a number of attitudes towards organisations or goals in life. These attitudes are influenced by the immediate organisational environment of the individual manager and therefore cannot be predicted on the basis of the nationality of the managers.

This approach leads to the following three hypotheses which contradict hypotheses PCS H1A, PCS H1B, PCS H1C.

PCS H2A

The scores of the American, British, Dutch and Israeli managers (expatriates, HQ officials and host country managers) on the four dimensions of culture will differ from the national scores of Hofstede, regardless of the geographical location of the managers.

PCS H2B

The scores of the American, British, Dutch and Israeli HQ officials on the four dimensions of culture will differ from the national scores of Hofstede.

PCS H2C

The scores of the American, Dutch and Israeli expatriate managers on the four dimensions of culture will differ from the national scores of Hofstede.

SITUATION C

Assumptions:

- 1) Hofstede's theory of mental programming as a culture formation process, is incorrect. People's mental programmes are not constructed in the early stages of their lives. According to certain theories of learning, people change their mental programmes at any stage of their life, providing the right learning situation is presented.
- 2) The four dimensions of culture represent national values. However, they represent nationals within the geographical/political borders of their nations and not nationals outside the borders of their parent countries.

SITUATION D.

Assumptions:

- 1) Hofstede's theory of mental programming as a culture formation process, is correct. People's mental concepts are programmed in the first five years of their lives according to the basic values of their parent country.
- 2) The four dimensions of culture proposed by Hofstede are not programmed national values but represent managers' attitudes towards their organisations which change according to the norms of their immediate environment.

Following the assumptions stated under situations C and D we can conclude that expatriate managers have some national values, expressed by the four dimensions of culture. However, these dimensions are changeable upon a job transfer across national boundaries (Situation C). Alternatively, the values of managers are programmed at an early age. However, Hofstede's dimensions of culture are not programmed national values but changeable managerial attitudes (Situation D). In both cases expatriate managers will tend to change their managerial behaviour in accordance with the patterns of managerial behaviour prevalent in their host countries. For example, an Israeli manager transferred from HQ in Israel, where the level of Power Distance is low, to a British subsidiary where the level of Power Distance is high, will try to minimise the gap between the two levels. Hence, his/her score will probably be an average one. Therefore, the scores of the expatriate managers in Great Britain on the four dimensions of culture will differ from the scores of their peers at HQ in the parent countries and from the scores of the British managers in the subsidiaries in London as follows:-

PCS H3A (1-6) Power Distance

1. The scores of the American expatriate managers in their banks in London on Power Distance will be lower than the scores of the American HQ officials in the HQ of the same banks in the US.
2. The scores of the American expatriate managers in their banks in London on Power Distance will be higher than the scores of the British managers employed in the same banks.
3. The scores of the Dutch expatriate managers in their banks in London on Power Distance will be lower than the scores of the Dutch HQ officials in the HQ of the same banks in Holland.
4. The scores of the Dutch expatriate managers in their banks in London on Power Distance will be higher than the scores of the British managers employed in the same banks.
5. The scores of the Israeli expatriate managers in their bank in London on Power Distance will be higher than the scores of the Israeli HQ officials in the HQ of the same bank in Israel.
6. The scores of the Israeli expatriate managers in their bank in London on Power Distance will be lower than the scores of the British managers employed in the same bank.

Figure 7.2: Summary of Hypotheses PCS H3A1 - PCS H3A6

Hypothesis	Dimension	Nationality	Relationship Between Groups' Scores
PCS H3A1	Power Distance	American	EXP < HQ
PCS H3A2	Power Distance	American	EXP > BRM
PCS H3A3	Power Distance	Dutch	EXP < HQ
PCS H3A4	Power Distance	Dutch	EXP > BRM
PCS H3A5	Power Distance	Israeli	EXP > HQ
PCS H3A6	Power Distance	Israeli	EXP < BRM

PCS H3B (1-6) Uncertainty Avoidance

1. The scores of the American expatriate managers in their banks in London on Uncertainty Avoidance will be lower than the scores of the American HQ officials in the HQ of the same banks in the US.
2. The scores of the American expatriate managers in their banks in London on Uncertainty Avoidance will be higher than the scores of the British managers employed in the same banks.
3. The scores of the Dutch expatriate managers in their banks in London on Uncertainty Avoidance will be lower than the scores of the Dutch HQ officials in the HQ of the same banks in Holland.
4. The scores of the Dutch expatriate managers in their banks in London on Uncertainty Avoidance will be higher than the scores of the British managers employed in the same banks.
5. The scores of the Israeli expatriate managers in their bank in London on Uncertainty Avoidance will be higher than the scores of the Israeli HQ officials in the HQ of the same bank in Israel.
6. The scores of the Israeli expatriate managers in their bank in London on Uncertainty Avoidance will be lower than the scores of the British managers employed in the same banks.

Figure 7.3: Summary of Hypotheses PCS H3B1 - PCS H3B6

Hypothesis	Dimension	Nationality	Relationship Between Groups' Scores
PCS H3B1	Uncertainty Avoidance	American	EXP < HQ
PCS H3B2	Uncertainty Avoidance	American	EXP > BRM
PCS H3B3	Uncertainty Avoidance	Dutch	EXP < HQ
PCS H3B4	Uncertainty Avoidance	Dutch	EXP > BRM
PCS H3B5	Uncertainty Avoidance	Israeli	EXP > HQ
PCS H3B6	Uncertainty Avoidance	Israeli	EXP < BRM

PCS H3C (1-6) Individualism

1. The scores of the American expatriate managers in their banks in London on Individualism will be similar to the scores of the American HQ officials in the HQ of the same banks in the US.
2. The scores of the American expatriate managers in their banks in London on Individualism will be similar to the scores of the British managers employed in the same banks.
3. The scores of the Dutch expatriate managers in their banks in London on Individualism will be higher than the scores of the Dutch HQ officials in the HQ of the same banks in Holland.
4. The scores of the Dutch expatriate managers in their banks in London on Individualism will be lower than the scores of the British managers employed in the same banks.
5. The scores of the Israeli expatriate managers in their bank in London on Individualism will be higher than the scores of the Israeli HQ officials in the HQ of the same bank in Israel.
6. The scores of the Israeli expatriate managers in their bank in London on Individualism will be lower than the scores of the British managers employed in the same bank.

Figure 7.4: Summary of Hypotheses PCS H3C1 - PCS H3C6

Hypothesis	Dimension	Nationality	Relationship Between Groups' Scores
PCS H3C1	Individualism	American	EXP = HQ
PCS H3C2	Individualism	American	EXP = BRM
PCS H3C3	Individualism	Dutch	EXP > HQ
PCS H3C4	Individualism	Dutch	EXP < BRM
PCS H3C5	Individualism	Israeli	EXP > HQ
PCS H3C6	Individualism	Israeli	EXP < BRM

PCS H3D (1-6) Masculinity

1. The scores of the American expatriate managers in their banks in London on Masculinity will be higher than the scores of the American HQ officials in the HQ of the same banks in the US.
2. The scores of the American expatriate managers in their banks in London on Masculinity will be lower than the scores of the British managers employed in the same banks.
3. The scores of the Dutch expatriate managers in their banks in London on Masculinity will be higher than the scores of the Dutch HQ officials in the HQ of the same banks in Holland.
4. The scores of the Dutch expatriate managers in their banks in London on Masculinity will be lower than the scores of the British managers employed in the same banks.
5. The scores of the Israeli expatriate managers in their bank in London on Masculinity will be higher than the scores of the Israeli HQ officials in the HQ of the same bank in Israel.
6. The scores of the Israeli expatriate managers in their bank in London on Masculinity will be lower than the scores of the British managers employed in the same bank.

Figure 7.5: Summary of Hypotheses PCS H3D1 - PCS H3D6

Hypothesis	Dimension	Nationality	Relationship Between Groups' Scores
PCS H3D1	Masculinity	American	EXP > HQ
PCS H3D2	Masculinity	American	EXP < BRM
PCS H3D3	Masculinity	Dutch	EXP > HQ
PCS H3D4	Masculinity	Dutch	EXP < BRM
PCS H3D5	Masculinity	Israeli	EXP > HQ
PCS H3D6	Masculinity	Israeli	EXP < BRM

Since it is not clear whether Hofstede's eco-logic (which compares culture on indices constructed at the nation level and not at the individual level) is valid (see Chapter 6: Cultural Behaviour), the following hypotheses will be presented in consecutive order; first, the assumption of eco-logic will be adopted. Thus, the four dimensions of culture will be used as valid measurements of national values. Second, the assumption of individual logic will be adopted and each of the dimensions of culture will be analysed according to its components.

B. Host Country Socialisation

In this part we test the approach that expatriate managers change their original patterns of managerial behaviour and adopt the host country's patterns of managerial behaviour.

The following hypotheses are derived from the eco-logic approach:

HCS H1 (A-D) (Host Country Socialisation Hypotheses 1 A-D)

The longer the stay of the expatriate managers in the host country (GB), the higher the likelihood that they will change their managerial behaviour (on the four dimensions) and prefer the patterns of behaviour prevalent among British managers in London:

HCS H1A

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their Power Distance behaviour and prefer the patterns of behaviour prevalent among the British managers employed in the subsidiaries of their banks in London.

HCS H1B

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their Uncertainty Avoidance behaviour and prefer the patterns of behaviour prevalent among the British managers employed in the subsidiaries of their banks in London.

HCS H1C

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their Individualistic behaviour and prefer the patterns of behaviour prevalent among the British managers employed in the subsidiaries of their banks in London.

HCS H1D

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their Masculine behaviour and prefer the patterns of behaviour prevalent among the British managers employed in the subsidiaries of their banks in London.

The following hypotheses are derived from the individual logic approach:

HCS H2

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their goal priorities and prefer the priorities prevalent among the British managers employed in the subsidiaries of their banks in London.

HCS H3

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their preference for the desired managerial style of their immediate superior and prefer the managerial style prevalent among the British managers employed in the subsidiaries of their banks in London.

HCS H4

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their expression of disagreement (between subordinates and superiors) and prefer the attitude prevalent among the British managers employed in the subsidiaries of their banks in London.

HCS H5

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their attitudes toward employees' right to break company rules and prefer the attitudes prevalent among the British managers employed in the subsidiaries of their banks in London.

HCS H6

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their level of tension at work and match the level of tension prevalent among the British managers employed in the subsidiaries of their banks in London.

2. ROLE THEORY

According to the role theory (discussed in detail in chapter 4), the role of an expatriate manager differs from the role of an HQ official. Expatriate managers have dual role sets. One role set is located in the parent country and is influenced by its culture. The other one is located in the host country and is influenced by its culture. As a result expatriate managers may face role conflicts and role ambiguities.

HQ officials who work in multinational corporations are also exposed to two different cultures. Thus, they might face role conflicts and ambiguities. This exposure however, is different from the exposure of expatriate managers. The reason is that the role of expatriate managers is more complicated than the role of HQ's officials. It has to do with the fact that the role concept of the expatriate managers is anchored in their parent country while the role behaviour is practiced in the host country (Torbiorn 1982; p.32). This situation does not characterise the role of HQ officials.

In order to respond to the host country expectations and to get help, co-operation and advice from their host country employees, expatriate managers have to establish a close relationship with the host nationals (Mendenhall & Oddou 1985). They can achieve this objective by reducing the power distance between themselves and their local subordinates; by reducing their level of individualism; by adhering to patterns of behaviour labelled by Hofstede as femininity; by exposing themselves to more environmental-organisational risks (Torbiorn 1982; p.37), thus, reducing the certainty of their activities.

According to the eco logic approach, the following hypotheses can be forwarded:

R H1A - (Role Hypothesis 1A) Power Distance

The scores of the expatriate managers (American, Dutch and Israeli) in their banks in London on Power Distance will be lower than the scores of the HQ officials in the HQ of the same banks.

R H1B - Uncertainty Avoidance

The scores of the expatriate managers in their banks in London on Uncertainty Avoidance will be lower than the scores of the HQ officials in the HQ of the same banks.

R H1C - Individualism

The scores of the expatriate managers in their banks in London on Individualism will be lower than the scores of the HQ officials in the HQ of the same banks.

R H1D - Masculinity

The scores of the expatriate managers in their banks in London on Masculinity will be lower than the scores of the HQ officials in the HQ of the same banks.

In the following section the individual-logic approach is adopted.

The performance of expatriate managers in subsidiaries of MNCs is assessed by HQ officials. Zeira, Harari and Izraeli-Nundi (1975) found that HQs tend to emphasise finance-related goals and to neglect employees' morale in their assessments of the performance of the expatriates. Therefore, expatriate managers tend to be more task oriented, rather than people oriented.

R H2

The scores of the expatriate managers in their banks in London on socially related goals will be lower than the scores of the HQ officials in the HQ of the same bank.

Tannenbaum (1980) found that in Western cultures, managers prefer their superiors to adopt a consultative leadership style.

R H3

The scores of the Expatriate managers in their banks in London on the desired leadership style of their immediate superiors will be similar to the scores of the HQ officials in the HQ of the same banks.

Rizzo et. al. (1970) found that role conflicts and ambiguities may lead to dissatisfaction expressed by criticism of the leadership style of the direct superior.

R H4

Expatriate managers in their banks in London perceive a wider gap between the desired and the existing managerial style of their immediate superiors than HQ officials in HQ.

The fear of disagreement with immediate superior is not influenced by the role of the manager (Hofstede 1980; p. 101).

R H5

The scores of the expatriate managers in their banks in London on the statement that "Employees are afraid to express disagreement with their managers" will be similar to the scores of the HQ officials in the HQ of the same banks.

Expatriate managers can be expected to demonstrate a level of tolerance to the uncertainty involved in the breaking of company rules by their employees in the subsidiaries in the host country, which would not be displayed by HQ officials.

R H6

Expatriate managers will express more tolerance towards the right of employees to break company rules than HQ officials in the HQ of the same banks.

Expatriate managers have a role concept which is anchored in the parent culture and role behaviour which is anchored in the host culture (Torbiorn 1982; p. 32). As a result they are expected to suffer a higher level of tension at work than HQ officials.

R H7

Expatriate managers will perceive a higher level of tension at work than HQ officials in the HQ of the same banks.

Newly appointed expatriate managers may face an extra high level of tension at work during the first year of their stay abroad. This is as a result of their need to function in an unfamiliar environment. It is assumed that this tension will be reduced later on, as the expatriates learn how to cope with their new environment.

R H8

Expatriate managers will perceive a higher level of tension at work in their first year than in later years of their service.

3. THEORY OF POWER

As discussed by Kanter (1979) and Pfeffer (1981), regardless of role or nationality, managers constantly seek to increase the rewards that they obtain from their organisations. The amount of rewards is limited. More rewards are available in higher positions than in lower positions of the organisational hierarchy. Therefore, managers push their way up the organisational ladder in order to get these rewards. Pushing their way up requires the exercise of power and politics. In Western societies "power" is a synonym for influence- for the ability of a person to influence other people and to bring about desired outcomes for the power holder.

According to the eco logic approach the following hypotheses can be proposed:

P H1A- (Power Hypothesis 1A) Power Distance

Regardless of nationality or role, the higher the level of the managers (expatriate managers, HQ officials and host country managers) in the hierarchy, the greater the likelihood of their scoring high on Power Distance.

P H1B - Uncertainty Avoidance

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their scoring low on Uncertainty Avoidance.

P H1C - Individualism

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their scoring high on Individualism.

P H1D - Masculinity

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their scoring high on Masculinity.

According to individual logic the following hypotheses can be proposed:

Herzberg (1966) argued that in order to satisfy their needs, managers who already have accomplished their hygiene goals need to accomplish their motivator goals.

P H2

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their scoring higher on "motivators" goals than on "hygiene" goals.

McClelland (1975) found that effective managers in top positions have high power motivation and low affiliation motivation.

P H3

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their scoring higher on "company related goals" than on "people related goals".

Upper-level managers exercise more power than managers in lower positions (Bower 1966). Managers in all levels prefer their superior to exercise a consultative leadership style (Tannenbaum 1980).

P H4

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their considering the leadership style of their immediate superior as "autocratic".

Livingston (1971) argued that high level executives try diligently to avoid the appearance of being authoritarian - however, their actual behaviour is authoritarian in reality. Further, it can be assumed that they will also state that employees are not afraid of them. However, employees will report the contrary.

P H5

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the lesser the likelihood of their stating that their subordinates are afraid to express disagreement with them.

Managers are the policy makers in organisations. They dictate, to a great extent, the rules of these organisations. They also have the authority and the power to change some of the rules. The higher the level of the manager in the hierarchy, the more they can change the rules. They certainly do not want employees to break their own rules.

P H6

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the lesser the likelihood of their tolerating employees' right to break company rules.

Managers in high positions have a large amount of responsibility and a lot at stake. Therefore, they tend to suffer a high level of tension in their jobs.

P H7

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their stating a high degree of tension in their work.

Despite the fact that expatriate managers in G.B. are of different nationalities, and despite the complexity of their roles, it can be argued that their power behaviour relates to their positions in the hierarchy as much as the power behaviour of other types of managers relates to their respective positions. Therefore, the same set of hypotheses which were elucidated for managers in general are drawn again, but this time relating to expatriate managers, and starting with the eco-logic approach:

P H8A - Power Distance

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their scoring high on Power Distance.

P H8B - Uncertainty Avoidance

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their scoring low on Uncertainty Avoidance.

P H8C - Individualism

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their scoring high on Individualism.

P H8D - Masculinity

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their scoring high on Masculinity.

According to individual logic approach the following hypotheses can be raised:

P H9

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their obtaining higher scores on "motivators" goals than on "hygiene" goals.

P H10

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their having higher scores on "company related goals" than on "people related goals".

P H11

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their considering the leadership style of their immediate superiors as "autocratic".

P H12

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the lesser the likelihood of their stating that their subordinates are afraid to express disagreement with them.

P H13

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the lesser the likelihood of their tolerating employees' right to break company rules.

R H14

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their stating a high level of tension in their work.

4. Summary

Three sets of hypotheses are proposed in order to measure the change in behaviour of expatriate managers in foreign assignments:

The first set of hypotheses adopts Hofstede's (1980) proposal of early age programming of cultural values and it tests whether or not expatriate managers' values are unchangeable upon international transfer; In addition, this set adopts learning theories to test whether or not the behaviour of expatriate managers is changed in the host country, as a result of their duration there.

The second set of hypotheses adopts the Role theory and tests whether or not the behaviour of expatriate managers in the host country is changed as a result of a change in role - from the role of HQ official to the role of expatriate manager.

The third set of hypotheses adopts the theory of Power and tests whether or not the change in behaviour of managers is a function of their rank in the hierarchy.

The research process, together with the method of data collection and treatment, is described in the following chapter.

Chapter 8: METHODOLOGY

There were three main parts in the process of the study:-

- I. The pilot study
- II. The design of the study
 - A. Population
 - B. Respondents
 - C. The Research Tools
- III. The data analysis

These parts are described in detail below.

1. The Pilot Study

The objectives of the pilot study were:

- a. To define the research question and research population.
- b. To identify differences in the managerial behaviour of a number of nationalities.
- c. To build up a research tool.

These three stages took place in London during the year 1982. Six foreign managers in London and six British managers who worked abroad, were interviewed. The objectives of these interviews were to explore their attitudes towards their organisation and their jobs and to find out through "critical incidents" (Flanagan 1954; Herzberg 1966) what were the reasons for their different attitudes towards their organisations. The interviews were open ended and concentrated on:-

- a. The patterns of expatriates' managerial behaviour.
- b. The role episode (Katz & Kahn 1978) of the expatriate manager.
- c. The relationship between employees of two nationalities that work in the same subsidiary.

Each interview was conducted in the interviewees' office and lasted from one to three hours.

The interviews revealed that due to the change in geographical location expatriate managers faced a new environment with which they had to cope. Some managers felt that they had changed their patterns of managerial behaviour in order to respond to host country expectations. Other managers expressed the view that their subordinates changed their patterns while they themselves continued to manage in the same way as they did in their home country. These views lead to the formulation of the basic research question, which was defined as follows:

"TO WHAT EXTENT DO EXPATRIATE MANAGERS CHANGE THEIR MANAGERIAL BEHAVIOUR IN FOREIGN COUNTRIES?"

It was followed by the decision to explore the research question in the Banking industry, for two reasons:

- a. London is one of the most important financial centres of the world. The current tendency of international banks is to send many expatriate managers to key positions in their subsidiaries in London. The availability of a vast number of expatriate managers, which does not characterise many other international industries in London, made it feasible to conduct a statistical study of expatriate managers' behaviour.
- b. The researcher is familiar with managerial aspects of the industry from previous experience.

The research population was then defined as expatriate managers in subsidiaries of foreign banks in London.

Following the definition of the research question and the research population, a questionnaire was built up to measure managerial behaviour of expatriate managers. Different versions of the questionnaire were administered to half a dozen expatriate managers in order to test the face validity of the questions. Following this pilot test, some corrections were introduced into the questionnaire.

2. The Design of the Study

A. Population - The Participating Banks

There were some constraints in the choice of the participating banks. In order to have a sample, which could be statistically analysed, a minimum number of 7 expatriate managers was required from each one of the subsidiaries in London. This number followed Hofstede's minimum number of representatives of each nationality in his study of differences between management students in IMEDE (1980; p. 111). Even if only 5 out of 7 respondents answer all questions a minimum which is necessary for a simple Chi Square test (Siegel 1956; Beyth Marom 1976), was still available. So far, no survey has been conducted to find out how many foreign banks in London have 7 or more expatriate managers. It has been assumed that banks with 100 employees or more have 20-30 managers of which half might be British and half might be non-British. The number of foreign banks in London with 100 employees or more is 73.

The 73 banks with 100 or more employees were headquartered in 32 countries. Some of them could not be approached for three reasons:

1. Four countries were not included in Hofstede's sample and hence no comparison could be made between the prospective findings and Hofstede's findings. These countries were China, Jordan, Luxembourg and USSR.
2. Seven countries were in a political conflict with the country in which the study was being conducted (e.g. Argentina) or with the country of origin of the researcher (Israel).
3. Two countries belong to the group of countries with heavy financial debts to several Western banks. Hence they were in a delicate financial situation which precluded any exposure to the public.

Efforts were made to include at least one Japanese bank (out of 3 with 100 employees) in the sample, as representative of the Far East. Unfortunately no Japanese bank in London agreed to participate in the study. Two banks from Hong Kong were not approached because of their strong British identity.

With regard to the South American continent; Argentinian banks were not approached because of the political conflict between U.K. and Argentina (the Falkland crisis). Three Brazilian banks were contacted. One of them declined to participate. The second bank had a policy of appointing British citizens to all its managerial positions in the UK. The third bank agreed to administer the questionnaires to just one expatriate manager in London and to just one Brazilian manager in Brazil.

Out of the rest of the potential respondent banks there was the group of the Anglo-Saxon nationalities: USA (21 banks), Canada (7 banks), New Zealand (1 bank), Australia (4 banks), South Africa (1 bank). Two American banks were selected to represent this group. The decision to prefer American Banks over others, was due to the large number of employees in the subsidiaries of the American banks in London.

Switzerland is an important banking centre. Unfortunately, the 5 Swiss banks in London did not want to step out of their traditional conservative mode towards exposure and refused to disclose any information regarding themselves.

For two reasons the second preference was the Netherlands. First, almost every Dutch manager speaks English; this is their second language. Second, Hofstede, who conducted the original cross-cultural study in 40 countries, is of a Dutch origin.

Hofstede states that research of values cannot be value-free. Thus he claims that his research reflects not only the values of the respondents in 40 different countries, but it also reflects the values of the researcher himself. It seemed of interest to find out whether Hofstede's findings for Holland were non-consciously biased by his origin. Therefore, all three Dutch banks available were included in the study conducted this time by a researcher of a different nationality.

The following banks were not approached because of the need to translate the questionnaires into foreign languages, despite the fact that they had more than 100 employees in London: 1 Belgian bank, 5 French banks, 3 German banks, a Greek bank, 2 Italian banks, 1 Luxembourgian bank and 2 Spanish banks.

The Israeli bank, participating in the study, has been selected for two reasons. First, its managers represent a different culture from the Anglo-Saxons and the Europeans. Israel is a young state which encompasses immigrants from more than 70 countries. The national norms for Israel, in Hofstede's study, are closely related to the Austrian culture. Yet, Israel is geographically located in the Middle East. Therefore, it seemed interesting to find out to what extent Hofstede's findings regarding Israel could be validated. The second reason for choosing an Israeli bank was the researcher's nationality. It is natural that an Israeli should test his hypotheses in Israel.

In addition to the three experimental groups of managers from the USA, Holland and Israel, a control group of British managers in a British bank in London was included. Three different nationalities and a British control group could fit the methodological requirements of the present cross-cultural study (Manaster & Havighurst 1982; p. 159). A comparison between two nationalities would provide two scores. They could not be used for presentation of tendencies but only for a description of a situation. Thus, the explanatory vector would be missing from any research which does not study at least three nationalities.

For the above reasons, the study was conducted in subsidiaries of six international banks and a British bank in London and at the headquarters of six international banks in Tel Aviv - Israel, Amsterdam - Netherlands and New York - USA. Each country represents a different continent, a different culture and a different size of business.

Tel Aviv is the financial centre of Israel. Israeli banks have their HQ in this city. Nevertheless, on a global scale, it is a tiny financial centre.

Amsterdam is a financial centre in which major international Dutch banks have their headquarters. On a global scale, this could be considered as a medium size financial centre (Steuber 1976 p. 61; Pecchioli 1983, p. 157).

New York is the most important financial centre in the USA (Steuber 1976; p. 62). At the end of 1972, almost 80 foreign banks were represented in the USA with a total of 430 agencies, branches, subsidiaries and affiliated companies as well as representative offices. Of the 430 foreign points of representation, 235 were in New York, of which two thirds were agencies, branches and affiliates (Cooley 1973; p. 5). At the end of 1981, the total number of offices, branches and subsidiaries of foreign banks in the U.S. was 1801 (Pecchioli 1983; p. 159).

B. The respondents

During 1983, letters of introduction (see Appendix 3) were sent to 18 general managers of 14 foreign banks and 4 British banks in London. The letter asked for an appointment between the researcher and the official responsible for personnel studies in each bank. It was hoped that at least five foreign banks and one British banks would agree to take part in the Study.

In six cases the requests were rejected. In 12 cases, meetings took place and six foreign banks and one British bank fully or partially agreed to participate in the study.

Officials in charge of personnel were asked to sample expatriate managers in London and their peers at HQ of the banks in the following way:

First, a random sample of expatriate managers working in the subsidiary in London was selected. In the case of there being less than 30 expatriates working in the same subsidiary the total population of expatriates was included. The same procedure was applied to managers operating at the HQ in the parent company.

The hierarchical level and function of the managers at HQ was matched to their correspondent expatriate managers . For example, the American marketing manager in the British subsidiary of the American Bank was matched with an American marketing manager, at the same organisation level, at the HQ of the participating bank in New York.

A bank that adheres to a geocentric staffing policy has six different groups of managers who could be included in the study:

1. Parent Country Nationals (PCNs) at HQ.
2. PCNs at subsidiary.
3. Host Country Nationals (HCNs) in the subsidiaries.
4. HCNs at HQ.
5. Third Country Nationals (TCNs) at HQ.
6. TCNs in the subsidiaries.

The two American banks adopted a geocentric staffing policy. The rest of the banks adopted an ethnocentric staffing policy. Hence they could only provide a sample of three groups (PCNs in both the parent country and the host country; and HCNs in the host country). This is because these organisations appointed PCNs to their subsidiaries but refrained from appointing HCNs to HQ in the parent countries.

However, one of the American banks employed a matrix of four overlapping structures. This fact prevented their personnel function from matching PCNs in the subsidiary in London with managers at HQ in the U.S.

Ultimately, this bank sampled only two groups of managers: 20 Americans and 30 British in its subsidiary in London.

Out of the 3 Dutch banks, only one distributed the questionnaires among three groups - Dutch HQ officials in Holland, Dutch expatriate managers and British managers in the subsidiary of the Dutch bank in London. In the second bank only Dutch managers responded to the questionnaires while the British managers refrained from responding. The third Dutch bank did not agree to distribute the questionnaires among its British Managers. Therefore, in this bank, only two groups of managers were included in the study : Dutch HQ officials in Holland and Dutch expatriate managers in Great Britain.

All managers sampled received a questionnaire and a letter of explanation that was written and signed by the personnel officer and a self-addressed envelope issued by the researcher. The filled out questionnaires were sent back by the respondents directly to the London Business School.

Out of 398 questionnaires which were distributed, 256 were filled out and sent back by recipients. The response rate was as follows:

British Bank	:	28 /40	= 70%
American Bank I	:	41 /50	= 82%
American Bank II	:	95/150	= 63%
Dutch Bank I	:	22 /28	= 78%
Dutch Bank II	:	12 /36	= 33%
Dutch Bank III	:	9 /24	= 37%
Israeli Bank	:	49 /70	= 70%
<hr/>			
Total	:	256/398	= 64.3%

The distribution of the respondents according to Bank, Nationality and Country is presented in Table 8.1.

Table 8.1: Respondents Distribution according to Bank, Nationality and Country

Bank	GB	US				NL				IL			
		I		II		I		II		III			
NAT	GB	US	GB	US	GB	NL	GB	NL	GB	NL	GB	IL	GB
Country where employed													
Great Britain	28	14	27	38	22	8	8	-	12	2	-	10	17
United States	-	-	-	22	13*	-	-	-	-	-	-	-	-
Holland	-	-	-	-	-	6	-	-	-	7	-	-	-
Israel	-	-	-	-	-	-	-	-	-	-	-	22	-
TOTAL	28	14	27	60	35	14	8	0	12	9	0	32	17

* The 13 British expatriate managers in New York were included in the calculation of the 4 dimensions of culture and in the analysis of the Theory of Power.

The 256 respondents were gathered into one sample only for the calculation of the four dimensions of culture. In other cases only the relevant parts of the research sample were used as follows:

1) Socialisation theory analysis:-

Nationality = 243 (114 British + 74 Americans + 23 Dutch + 32 Israelis) 13 British expatriate managers in New York were omitted from this group because they did not fit the rest of the samples of expatriate managers who were transferred to London.

2) Role Theory analysis :-

Managers in MNCs = 215 (57 HQ officials + 72 expatriate managers + 86 local managers in subsidiaries) 13 British expatriate managers and 28 British managers who worked in a British bank in London were omitted from this group.

3) Theory of Power analysis:-

Rank in hierarchy = 253 (29 in top levels + 132 in upper middle levels + 92 in lower middle levels).

Three anonymous respondents who failed to disclose their level in the hierarchy were omitted from this group.

The questionnaires were distributed by the personnel department of each bank, and the researcher had no control over the processes of distribution and collection of the questionnaires. Therefore, the differences in response rates between banks (e.g. Dutch I and Dutch II) are unknown.

The questionnaires were coded and the information was filed on a computer at the London Business School.

C. Research Tools

Three main sources of data were employed: questionnaires, observations and interviews.

C.1. The Questionnaires

The research employed two questionnaires - the first administered to managers in London, both to host country nationals and to expatriates. The second questionnaire was administered to HQ in the parent countries. The questionnaires were identical except for a few questions omitted from the second questionnaire which were marked with an asterisk (*). The questionnaire was presented in full in Appendix 2.

The questionnaires comprised 47 questions divided into three different categories.

Some of the questions presented in the questionnaires were used as a direct operational measurement of the variables. In other cases where replication of measurements was conducted a number of questions were combined into intervening variables. The variables and their measurement are described below:-

A. Biographic/Demographic Data (in brackets - the question No.)

Name (1), present position (2), name of organisation (3), experience in the parent organisation (4)* , length of service in present position (6), number of positions held in the present organisation (7), age (8), ethnic history (10, 11, 12), sex (13), level of education (14, 15), command of languages (16).

B. The Independent Variables

1. Socialisation

Socialisation or its attributes were measured through the following questions: Experience in the host country (5), nationality (9).

2. Role

Roles of managers were classified through their functions as:

1) HQ officials, 2) expatriate managers, 3) host country managers.

3. Power

Power of managers was measured through their hierarchical position (2).

C. The Dependent Variables

1. Power Distance

The crucial question used by Hofstede to reveal Power Distance differences among countries is "How frequently in your experience, does the following problem occur: employees being afraid to express disagreement with their managers? 1. Very Frequently 2. Frequently 3. Sometimes 4. Seldom 5. Very Seldom" (No. 44). A similar kind of question had been used by Patchen (1965; pp. 48-54) in the USA. A reference to fear of expressing disagreement as part of a country's culture is found in Whyte (1969; p. 37) and Negandhi and Prasad (1971; p. 128). The question as phrased by Hofstede was used in the present study.

Two other questions in Hofstede's study were adopted from the original research of Tannenbaum and Schmidt (1958). They referred to four types of decision making styles of managers and asked subordinates to indicate their preferred type on one hand and their perception of their boss' behaviour on the other.

Hofstede used two versions of these questions. In the first version (1969) the decision making styles were:

- A. Autocratic ("tells")
- B. Persuasive/paternalistic ("Sells")
- C. Consultative ("Consults")
- D. Democratic ("joins" majority vote)

In the second version (1970), the fourth style was substituted to a participative (consensus) style. When Hofstede built his Power Distance factor, he used, for the third question only, the data of the first version (1967-69).

In the present study, the first version was adopted (Question Nos. 41 & 42). The main reason was the necessity to compare the findings of the present study with those of Hofstede's study.

The Power Distance index in Hofstede's study was calculated on the basis of the country mean scores for the three mentioned questions. The actual formula was:

$$\begin{aligned} \text{PDI} &= 135 - 25 \text{ (mean score "employee afraid")} \\ &+ \quad (\% \text{ perceived manager 1} + \% \text{ perceived manager 2}) \\ &- \quad (\% \text{ preferred manager 3}) \end{aligned}$$

The full reasoning for choosing this formula is presented in Hofstede (1980; p. 103).

2. Uncertainty Avoidance

The Uncertainty Avoidance dimension for the forty countries was comprised of the country mean scores on the following three questions:

- A. Please indicate the extent to which you personally agree or disagree with the statement that "company rules should not be broken - even when the employee thinks it is in the company's best interest".
- (a) I strongly agree
 - (b) I agree
 - (c) I am undecided
 - (d) I disagree
 - (e) I strongly disagree (Question No. 45)
- B. "How long do you think you will continue working for this company?"
- (a) Two years at the most
 - (b) From two to five years
 - (c) More than five years (but I will probably leave before I retire)
 - (d) Until I retire (Question No. 47)

- C. "How often do you feel nervous or tense at work?"
- (a) I always feel this way,
 - (b) Usually,
 - (c) Sometimes,
 - (d) Seldom,
 - (e) I never feel this way (Question No. 46)

The computation of the Uncertainty Avoidance Index (UAI) was done as follows:-

The mean score on five point scale for question No. 1 was multiplied by 30, and the mean score for question No. 3 was multiplied by 40. For question No. 2 the mean percent value was taken. The formula is:

$$\begin{aligned} \text{UAI} &= 300 - 30 \text{ (mean score "rule orientation")} \\ &\quad - \quad (\% \text{ "intending to stay less than five years"}) \\ &\quad - 40 \text{ (mean "stress" score)} \end{aligned}$$

The constant 300 created an index which ranged between 8 for the lowest Uncertainty Avoidance country - Singapore and 112 for the highest country - Greece (Hofstede 1980; p. 164).

It was assumed by Hofstede that disagreement of employees with the "rule orientation" statement indicated a high level of tolerance of ambiguity or uncertainty. On the other hand, the agreement of employees with the "rule orientation" statement, saved them the uncertainty which was attached to the "breaking" of the organisation law. A different way to avoid uncertainty was to decide not to leave the organisation within a number of years. Hofstede chose 5 years as the boundary between avoiding uncertainty and accepting uncertainty. The logic was that employees who could not make up their minds to leave their organisations within 5 years were avoiding uncertainty. There is evidence that the intended behaviour is reflected in actual behaviour (Mangione 1973; Kraut 1975; Price and Bluedorn 1977; Hofstede 1980, p. 162).

Hofstede (P. 163) found that at the country level, higher mean stress correlated with stronger rule orientation and greater employment stability.

The conceptual link between the stress question and the other two questions was the mean level of anxiety in a country. When anxiety was high people of a country felt more stressed. They tried to cope with the anxiety by a greater need for security which could be expressed in both tighter rule keeping and more employment stability.

3. Individualism

The Hofstede index of Individualism used country mean scores on the 14 "work goals" questions (Nos. 18-31). These 14 questions dealt with the importance of 14 different goals to the individual. Each question began with "How important is it to you to?". For example: "How important is it to you to have an opportunity for high earnings?". Factor analysis of the 14 goals (A 40 countries matrix which was carried out in Hofstede's study) produced two factors explaining 46 percent of the variance. One of the factors was named by Hofstede as Individual-Collective Factor. Its level of explanation of the variance was 24% and included only those goals with a factor load of .35 or over. The second factor was named by Hofstede as social-ego and its level of explanation of the variance was 22%.

The elements of the Individual-Collective factor were as follows:

<u>GOAL IMPORTANCE</u>	<u>FACTOR LOADING</u>	<u>ITEM</u>
	<u>Positive</u>	
<u>How Important is it to you to...</u>		
...Have a job which leaves you sufficient time for your personal or family life?	.86	Personal Time
...Have considerable freedom to adapt your own approach to the job?	.49	Freedom
...Have challenging work to do - work from which you can get a personal sense of accomplishment?	.46	Challenge (second loading)
...Live in an area desirable to you and your family?	.35	Desirable area (second loading)

<u>GOAL IMPORTANCE</u>	<u>FACTOR LOADING</u>	<u>ITEM</u>
<u>How Important is it to you to...</u>	<u>Negative</u>	
...Have training opportunity to improve your skills or learn new skills?	-.82	Training opportunity
...Have good physical working conditions - good ventilation, lighting, adequate work space, etc?	-.69	Physical Conditions
...Fully use your skills and abilities on the job?	-.63	Use of skills
...Have good fringe benefits?	-.40	Fringe Benefits
...Work with people who co-operate well with one another?	-.37	Co-operation (second loading)

In order to bring the values for the Individualism Index (IDV) in a range between zero and 100 the following formula was used:

$$IDV = 50 \pm 25 \text{ INV.}$$

The INV was the factor score calculated according to the zero order contribution of each work goal to the variance in the factor. This zero order contribution was determined by the square of the loading.

4. Masculinity

The Hofstede Index of Masculinity was calculated in the same manner as the Index for Individualism, using the second factor - that of "social ego" - which was produced in the factor analysis of the 14 goals in the 40 countries. The work goals which together composed this factor were as follows:

GOAL IMPORTANCE

FACTOR
LOADING

ITEM

Positive

How Important is it to you to...

...Have a good working relationship
with your manager?

.69

Manager

...Work with people who co-operate
well with one another?

.69

Co-operation

...Live in an area desirable to you
and your family?

.59

Desirable area

...Have the security that you will
be able to work for your company
as long as you want to?

.48

Employment Security

GOAL IMPORTANCE

FACTOR
LOADING

ITEM

Negative

How Important is it to you to...

...Have challenging work to do -
work from which you can get a
sense of accomplishment?

-.54

Challenge

...Have an opportunity for advancement
to higher level jobs?

-.56

Advancement

...Get the recognition you deserve
when you do a good job?

-.59

Recognition

...Have an opportunity for high
earnings?

-.70

Earnings

The Index of Masculinity was measured on the "social ego" factor scores with reverse signs. It has been brought within a range between zero and 100 by using the following formula: $MAS = 50 - 20 SOC$.

5. Reconstruction of the Dependent Variables

While no problems occurred in the process of the construction of the Power Distance and Uncertainty Avoidance dimensions, the two other dimensions did not come up as expected.

Hofstede built up the Individualism Index and that of Masculinity on the basis of a factor analysis of fourteen goals. He found 2 factors: the first one which he called Individual-Collective and explained 24% of the variance and the second one which he called Ego and explained 22% of the variance.

In the present study factor analysis of the fourteen goals for 256 participants produced only one factor (ie. factor 1 in Table 8.2 below) which explained 79.4% of variance.

The elements of the factor analysis are presented in table 8.2 :

Table 8.2: Correlation Coefficient of the 14 Goals on 3 Factors.

Goal	Factor 1	Factor 2	Factor 3
Challenging Work	.84	-.38	-.07
Recognition	.77	-.08	-.00
Manager (Immediate Supervisor)	.74	.04	.07
Use of Skills	.73	-.11	.11
Freedom	.73	-.18	-.10
Advancement	.71	-.23	.12
Co-operation	.67	.05	.08
Earnings	.66	.00	-.19
Desirable Area	.64	.21	-.34
Training	.50	.02	.35
Personal Time	.45	.43	-.29
Fringe Benefits	.41	.31	.20
Working Conditions	.37	.42	.16
Security	.20	.40	.10
Eigenvalue	5.55	.93	.50
Percentage of Variance	79.4	13.3	7.3
Accumulative Percentage	79.4	92.7	100.0

The cultural dimensions of Individualism and Masculinity were constructed by Hofstede by using factor loadings on the two factors that he found. In the present study, only one factor came up. Factors 2 and 3 had an Eigenvalue of less than 1 which is absolutely the minimum necessary for a factor to be recognised. However, in order to replicate Hofstede and to measure National scores on both dimensions there was no other choice but to use his two factors and his factor loadings. Hence, the dimensions of Individualism and Masculinity have been built up in the present study by multiplying the present mean scores by Hofstede's loadings. The factor which was identified in the present study has been neglected.

6. More "Goal Preferences" Questions

Nine more questions regarding the level of importance of goals were used in the present study (32-40). They were taken from the same questionnaire which was used by Hofstede, but these specific questions were not used by him as the components of the dimensions of culture. The questions were gathered from Schaupp (1978; pp. 133-135) who used the same data base for his study of the same multinational.

These questions were selected in order to construct additional variables as follows:-

- A. Goal priorities (Sirota & Greenwood 1971)
- B. Motivators vs Hygiene Goals (Herzberg 1966)
- C. Peoples vs Company Orientated Goals (Fleishman 1953)

These variables can be found in the chapter of Findings.

C.2. Participative Observation

During the years 1980-1984 the researcher, as an organisational internal consultant, had an opportunity to closely observe managerial behaviour of expatriate managers in an international bank in London.

Several aspects of international personnel management like the relationship between the subsidiary and HQ, decision making, communication, leadership style and the relationship between foreign managers and British managers and subordinates, were observed. The information collected in this way extended the knowledge of the researcher regarding the patterns of interaction between two ethnic groups within the same organisation and its influence on the behaviour of expatriate managers. This information together with the background literature, was used to build up the research tools and to explain some of the findings.

In addition, the full life cycle of the role of expatriate managers in the host country was analysed through 3 cases. The process of adjustment of 3 expatriate managers and their families to the British culture was thoroughly studied. The managers and the members of their families were interviewed periodically throughout their stay in the UK. The information gathered in this way was used in explaining some of the findings - mainly goal priorities of expatriates.

C.3. Interviews

In one of the banks which was included in the research sample, most of the managers who completed the questionnaires (10 expatriate managers, 17 British managers and 5 HQ officials) were interviewed. The interviews lasted between 1-3 hours and were conducted in the interviewees offices. The interviews were conducted in 1982 at the time that the research question was formulated and its framework designed. Therefore, the type of the interview that was selected was an open one.

The open interviews dealt with the following subjects:

- a. Reasons for joining the bank, and the reasons for the preference of a multinational on a national venture (expatriates and locals).
- b. Attitudes toward the international personnel policies of the parent company (HQ officials, expatriates and British managers in the subsidiary).
- c. Expectations of expatriate managers (British managers, HQ officials and expatriates).

The information gathered in the interviews was used to formulate the research question and to design the research structure.

3. The Data Analysis

The data collected from 256 managers in 6 international banks and a British bank in London were analysed on a mini computer (HF3000) at the LBS during 1984.

SPSS library programme (Nie et al. 1975) served as the main source for the data analysis. FREQUENCIES, T-TEST, NONPARCORR, FACTOR and ANOVA were used. In addition, some original programmes were built up - using the FORTRAN language - to assist with the replication of Hofstede's analysis and to measure the coefficient reliability (Cronbach 1970) between Hofstede's national scores and the present scores.

Most tests conducted are standard tests and therefore need no elaboration and are indicated on each table.

Hofstede's scores on the four dimensions for each country were used as means for populations. The scores in the present study were treated as means for the sample. Therefore the statistical comparisons between the respondents mean scores on the four dimensions of culture and the mean scores presented by Hofstede were conducted by using Z test as follows:

The mean and the standard error were calculated for each group. The distribution of individual scores in each country on each of the dimensions was normal, therefore, the standard error was compared with the total range of scores. When no special tendency was expected, the hypotheses were two-tailed. Hence, a difference between Hofstede's (1980) scores and my scores were considered significant if:

$$[\text{My Score} - \text{Hofstede Score}] > 1.96 \times \frac{\text{STD ERR}}{\sqrt{2}}$$

When a certain tendency was expected, then the formula used was:

$$[\text{My Score} - \text{Hofstede Score}] > 1.65 \times \frac{\text{STD ERR}}{\sqrt{2}}$$

4. Summary

The Study was conducted in the subsidiaries of six major international banks in London and in their HQ in New York, Amsterdam and Tel Aviv. In addition, a British bank was used as a control group. HQ officials, expatriate managers and host country managers (256) completed questionnaires. A comparison was made among managers of different nationalities, in different roles and hierarchical positions. The data collected were analysed and tested and the findings are presented in the following chapter.

Chapter 9: FINDINGS

The Layout of the Tables

In the majority of the tables, the mean scores of the sample are presented. The frequency of responses is on the top of each table. In some of the tables which present frequencies rather than means (eg table 9.13) the upper figure for each item represents the percentage of responses and the lower figure (in brackets) represents the frequency of responses. Table 9.12 presents rank order figures.

The findings are classified on the basis of the three theories discussed in Chapters 3, 4 and 5 - Socialisation, Role and Power:-

1. SOCIALISATION THEORY

Two different types of socialisation were analysed and tested:

- a. Socialisation in the parent country. This type of socialisation characterises both HQ officials, expatriate managers and host country managers. Therefore, all three groups of managers were included in the sample. The intervening variable which was selected to indicate parent country socialisation was Nationality.
- b. Socialisation in the host country. This type of socialisation characterises expatriate managers in host countries. Therefore, only groups of expatriate managers were included in the sample. However, a control group of British managers in London was added in order to identify changes. The indication of host country socialisation was the number of years of service in the host country (GB).

A. Parent Country Socialisation

Situation A

Assumptions:

1. Early age programming.
2. The four dimensions represent national values.

PCS H1A (Parent Country Socialisation - Hypothesis 1A)

The scores of the American, British, Dutch and Israeli managers (expatriates, HQ officials and host country managers) on the four dimensions of culture will be similar to the national scores of Hofstede, regardless of the geographical location of these managers.

Table 9.1: Mean Scores of the American, British, Dutch and Israeli Managers on Power Distance, Uncertainty Avoidance, Individualism and Masculinity, and the National Scores of Hofstede (N = 243).

DIMENSION	STUDY	N A T I O N A L I T Y			
		American (74)	British (114)	Dutch (23)	Israeli (32)
POWER DISTANCE	PRESENT	35	42	33	50*
	HOFSTEDE	40	35	38	13
UNCERTAINTY AVOIDANCE	PRESENT	45	34	21*	59*
	HOFSTEDE	46	35	53	81
INDIVIDUAL- ISM**	PRESENT	73*	82	70	54
	HOFSTEDE	91	89	80	54
MASCULIN- ITY**	PRESENT	72*	72	38*	30*
	HOFSTEDE	62	66	14	47

Two tailed test (Z) for difference between means of present study and of Hofstede's study

* Significant Difference; $p < .05$

** Since Hofstede's factor analysis was not replicated as expected (see chapter of Methodology) Hofstede's original loadings were taken in order to calculate national scores.

Table 9.1 shows the following similarities and differences:

A. Power Distance

Similarities between the scores in the present study and the scores in Hofstede's study were found for the American managers (35;40), for the British managers (42;35), and for the Dutch managers (33;38). A difference was found for the Israeli managers (50;13).

B. Uncertainty Avoidance

Similarities between the scores in the present study and the scores in Hofstede's study were found for the American managers (45;46) and for the British managers (34;35). Differences were found for the Dutch managers (21;53) and for the Israeli managers (59;81).

C. Individualism

Similarities between the scores in the present study and the scores in Hofstede's study were found for the British managers (82;89), for the Dutch managers (70;80) and for the Israeli managers (54;54). A difference was found for the American managers (73;91).

D. Masculinity

A similarity between the score in the present study and the score in Hofstede's study was found for the British managers (72;66). Differences were found for the American managers (72;62), the Dutch managers (38;14) and the Israeli managers (30;47).

The comparison between Hofstede's scores and the current scores for all managers showed the following:

The mean scores on the dimension of Power Distance were found to be similar in the two studies for the American, British and Dutch managers. It was different for the Israelis.

The mean scores on the dimension of Uncertainty Avoidance were similar for the American and the British managers. They were different for the Dutch and the Israelis.

The mean scores on the dimension of Individualism were similar for the British, the Dutch and the Israelis but not for the Americans.

The mean scores on the dimension of Masculinity were similar only for the British and different for the other three nationalities.

The dimensions of Power Distance and Uncertainty Avoidance are not homogeneous indices (Hofstede 1980; pp. 347, 357). Therefore, no statistical test is available to decide whether these results, showing rate of similarity of 56% (nine similarities out of sixteen), are significant or not. However, as a rule of thumb, rate of similarity of 50% or more is regarded here as non-random. Therefore, the hypothesis PCS H1A is corroborated.

It is however noticeable, that five out of the seven scores in the present study which are significantly different from Hofstede's scores, are lower than Hofstede's scores. The two other (Israeli on Power Distance and Dutch on Masculinity) are higher than the scores of Hofstede.

PCS H1B

The scores of the American, British, Dutch and Israeli HQ officials on the four dimensions of culture will be similar to the national scores of Hofstede.

Table 9.2: Mean Scores of the American, British, Dutch and Israeli HQ Officials on Power Distance, Uncertainty Avoidance, Individualism and Masculinity, and the National Scores of Hofstede (N = 85).

DIMENSION	STUDY	N A T I O N A L I T Y			
		American (22)	British (28)	Dutch (13)	Israeli (22)
POWER DISTANCE	PRESENT	50	3*	43	73*
	HOFSTEDE	40	35	38	13
UNCERTAINTY AVOIDANCE	PRESENT	45	54*	27*	78
	HOFSTEDE	46	35	53	81
INDIVIDUAL- ISM**	PRESENT	78	88	40*	61
	HOFSTEDE	91	89	80	54
MASCULIN- ITY**	PRESENT	75	78*	53*	19*
	HOFSTEDE	62	66	14	47

Two tailed test (Z) for difference between means

* Significant Difference; $p < .05$

** Since Hofstede's factor analysis was not replicated as expected, Hofstede's original loadings were used in order to calculate National Scores.

Table 9.2 shows the following similarities and differences:-

A. Power Distance

Similarities between the scores in the present study and the scores in Hofstede's study were found for the American HQ officials (50;40), and for the Dutch HQ officials (43;38). Differences were found for the British HQ officials (3;35) and the Israeli HQ officials (73;13).

B. Uncertainty Avoidance

Similarities between the scores in the present study and the scores in Hofstede's study were found for the American HQ officials (45;46) and for the Israeli HQ officials (78;81). Differences were found for the British HQ officials (54;35) and for the Dutch HQ officials (27;53).

C. Individualism

Similarities between the scores in the present study and the scores in Hofstede's study were found for the American HQ officials (78;91), for the British HQ officials (88;89), and for the Israeli HQ officials (61;54). A difference was found for the Dutch HQ officials (40;80).

D. Masculinity

A similarity between the score in the present study and the score in Hofstede's study was found for the American HQ officials (75;62). Differences were found for the British HQ officials (78;66), for the Dutch HQ officials (53;14) and for the Israeli HQ officials (19;47).

The comparison between the scores of Hofstede and the scores of the present study for the HQ officials showed the following:-

The mean scores on the dimension of Power Distance were found to be similar in the two studies for the Americans and the Dutch but not for the British and Israelis.

The mean scores on the dimension of Uncertainty Avoidance were found to be similar for the Americans and the Israelis but different for the British and the Dutch.

The mean scores on the dimension of Individualism were similar for the Americans, the British and the Israelis but different for the Dutch.

The mean scores on the dimension of Masculinity were similar for the Americans, but different for the other three nationalities.

In summary, eight scores out of 16 were similar while eight other scores were different from Hofstede's scores. This rate of similarity of 50% is not regarded as coincidental and therefore the hypothesis PCS H1B is corroborated. Of these eight differences, four scores were lower and four scores were higher than the scores of Hofstede. Therefore, no definite direction of differences could be identified between the present scores for HQ officials and Hofstede's scores .

PCS H1C

The scores of the American, Dutch and Israeli expatriate managers on the four dimension of culture will be similar to the national scores of Hofstede.

Table 9.3: Mean Scores of the American, Dutch and Israeli Expatriate Managers on Power Distance, Uncertainty Avoidance, Individualism and Masculinity and the National Scores of Hofstede (N = 72).

DIMENSION	STUDY	N A T I O N A L I T Y		
		American (52)	Dutch (10)	Israeli (10)
POWER DISTANCE	PRESENT	28	20	0
	HOFSTEDE	40	38	13
UNCERTAINTY AVOIDANCE	PRESENT	44	13*	16*
	HOFSTEDE	46	53	81
INDIVIDUAL- ISM**	PRESENT	50*	60	53
	HOFSTEDE	91	80	54
MASCULIN- ITY**	PRESENT	51	71*	33
	HOFSTEDE	62	14	47

Two tailed test (Z) for difference between means

* Significant Difference; $p < .05$

** Since Hofstede's factor analysis was not replicated as expected, Hofstede's original loadings were used in order to calculate national scores.

Table 9.3 shows the following similarities and differences:

A. Power Distance

Similarities between the scores in the present study and the scores in Hofstede's study were found for the American expatriate managers (28;40), the Dutch expatriate managers (20;38) and the Israeli expatriate managers (0;13).

B. Uncertainty Avoidance

A similarity between the score in the present study and the score in Hofstede's study was found for the American expatriate managers (44;46). Differences were found for the Dutch expatriate managers (13;53) and the Israeli expatriate managers (16;81).

C. Individualism

Similarities between the scores in the present study and the scores in Hofstede's study were found for the Dutch expatriate managers (60;80) and for the Israeli expatriate managers (53;54). A difference was found for the American expatriate managers (50;91)

D. Masculinity

Similarities between the scores in the present study and the scores in Hofstede's study were found for the American expatriate managers (51;62) and for the Israeli expatriate managers (33;47). A difference was found for the Dutch expatriate managers (71;14).

The comparison between the scores of Hofstede and the scores in the present study for the expatriate managers showed the following:

The mean scores on the dimension of Power Distance were found to be similar in the two studies for all three nationalities.

The mean scores on the dimension of Uncertainty Avoidance were similar for the Americans but different for the other two nationalities.

The mean scores on the dimension of Individualism were similar for the Dutch and the Israelis but different for the Americans.

The mean scores on the dimension of Masculinity were similar for the Americans and for the Israelis but not for the Dutch.

In summary, eight out of 12 scores were similar and four were different. On three out of these four scores, expatriate managers scored lower than the scores which were received in Hofstede's study, and in one case (Dutch on Masculinity), expatriate managers scored higher than the score of Hofstede.

However, this rate of similarity of 67% is not to be regarded as coincidental, and therefore the hypothesis PCS H1C is corroborated.

Situation B

Assumptions:

1. Hofstede's theory of mental programming is incorrect.
2. The four dimensions of culture proposed by Hofstede are not national values.

Under this set of assumptions the hypotheses PCS H1A, PCS H1B and PCS H1C would take the opposite directions as follows:-

PCS H2A

The scores of the American, British, Dutch and Israeli managers (expatriates, HQ officials and host country managers) on the four dimensions of culture will differ from the national scores of Hofstede, regardless of the geographical location of the managers.

PCS H2B

The scores of the American, British, Dutch and Israeli HQ officials on the four dimensions of culture will differ from the national scores of Hofstede.

PCS H2C

The scores of the American, Dutch and Israeli expatriate managers on the four dimensions of culture will differ from the national scores of Hofstede.

The corroboration of hypotheses PCS H1A, PCS H1B and PCS H1C (see Tables 9.1, 9.2 and 9.3) suggests the rejection of the alternative hypotheses PCS H2A, PCS H2B and PCS H2C.

Summary of Situations A and B

Analysis of the findings in Tables 9.1, 9.2 and 9.3 shows the following:-

When all managers (243) were included in the analysis (Table 9.1), 9 out of 16 scores in the present study were similar to the scores of Hofstede. Out of the remainders, 5 scores were lower than Hofstede's scores and only 2 were higher.

When only HQ officials (85) were included in the analysis (Table 9.2), 8 out of 16 scores in the present study were similar to the scores of Hofstede. Out of the remainders, 4 scores were higher and 4 scores were lower than Hofstede's scores.

When only expatriate managers (72) were included in the analysis (Table 9.3), 8 out of 12 scores were similar to the scores of Hofstede. However, out of the 4 non-similar scores, 3 were lower and 1 was higher than Hofstede's scores.

The group of all managers included expatriates and HQ officials. Despite of this overlapping information, a comparison for the dimensions (rather than for the managers) shows the following:

- | | |
|--|--|
| On the dimension of <u>Power Distance</u> | - 8 out of 11 scores in the present study were similar to the scores of Hofstede |
| On the dimension of <u>Uncertainty Avoidance</u> | - 5 out of 11 scores in the present study were similar to the scores of Hofstede |
| On the dimension of <u>Individualism</u> | - 8 out of 11 scores in the present study were similar to the scores of Hofstede |
| On the dimension of <u>Masculinity</u> | - 4 out of 11 scores in the present study were similar to the scores of Hofstede |

In summary, the dimensions of Power Distance and Individualism were similar in Hofstede's study and in this study in more than 70% of the cases, while the dimensions of Uncertainty Avoidance and Masculinity were similar in less than 50% of the cases.

Situation C

Assumptions:

1. No early age programming.
2. The four dimensions of culture represent national values.

Situation D

Assumptions:

1. Early age programming.
2. The four dimensions of culture do not represent national values.

PCS H3

The scores of the expatriate managers in the UK on the four dimensions of culture will differ from the scores of their peers at HQ of the same banks in the parent countries, and from the scores of the British managers employed in the subsidiaries of the same banks in London as follows:

Power Distance

PCS H3A1

The scores of the American expatriate managers in their banks in London on Power Distance will be lower than the scores of the American HQ officials in the HQ of the same banks in the US.

PCS H3A2

The scores of the American expatriate managers in their banks in London on Power Distance will be higher than the scores of the British managers employed in the same banks.

PCS H3A3

The scores of the Dutch expatriate managers in their banks in London on Power Distance will be lower than the scores of the Dutch HQ officials in the HQ of the same banks in Holland.

PCS H3A4

The scores of the Dutch expatriate managers in their banks in London on Power Distance will be higher than the scores of the British managers employed in the same banks.

PCS H3A5

The scores of the Israeli expatriate managers in their bank in London on Power Distance will be higher than the scores of the Israeli HQ officials in the HQ of the same bank in Israel.

PCS H3A6

The scores of the Israeli expatriate managers in their bank in London on Power Distance will be lower than the scores of the British managers employed in the same bank.

Table 9.4 : Mean Scores on Power Distance of the American, Dutch and Israeli Expatriates and their Peers at HQ and Subsidiaries

TYPE OF MANAGER	Total	BANK NATIONALITY		
		American	Dutch	Israeli
British Managers	(86)	50 (49)	-4 (20)	75 (17)
Expatriate Managers	(72)	*28A (52)	*20A (10)	*0A (10)
HQ Officials	(57)	50 (22)	43 (13)	73 (22)
(Hofstede Scores)		40	38	13

One tail test (Z) for difference between means

* Significant difference between EXP and HQ officials; p < .05

A Significant difference between EXP and British managers ; p < .05

Table 9.4 shows that the mean score of the American expatriate managers is lower (28) than the mean score of the American HQ officials (50). The difference is significant, therefore the hypothesis PCS H3A1 is corroborated.

The score of the American expatriate managers (28) is lower than the score of the British managers (50) employed in the subsidiaries of the same banks. The difference is significant, therefore the hypothesis PCS H3A2 is not corroborated.

The score of the Dutch expatriate managers is lower (20) than the score of the Dutch HQ officials (43). The difference is significant, therefore the hypothesis PCS H3A3 is corroborated.

The score of the Dutch expatriate managers (20) is higher than the score of the British managers (-4) employed in the subsidiaries of the same bank. The difference is significant, therefore the hypothesis PCS H3A4 is corroborated.

The score of the Israeli expatriate managers (0) is lower than the score of the Israeli HQ officials (73). The difference is significant, therefore the hypothesis PCS H3A5 not corroborated.

The score of the Israeli expatriate managers (0) is lower than the score of the British managers employed in the subsidiary of the same bank (75). The difference is significant, therefore the hypothesis PCS H3A6 is corroborated.

In summary, American expatriate managers who moved from the U.S. to the U.K. within the same organisation, scored lower (28) than the American HQ officials (50). However, the British managers in the subsidiaries of the American banks in London scored identically to the American HQ officials (50). The Dutch expatriate managers scored lower (20) than the Dutch HQ officials (43), but the British managers in the Dutch banks neither scored as predicted by Hofstede (35), nor like the HQ officials (43). They actually scored lower than predicted (-4). The results for the Israelis are similar in order to the results for the Americans. While the HQ officials and the British managers in the Israeli bank scored almost identically (73 and 75 respectively), the expatriate managers scored lower than predicted (0).

Uncertainty Avoidance

PCS H3B1

The scores of the American expatriate managers in their banks in London on Uncertainty Avoidance will be lower than the scores of the American HQ official in the HQ of the same banks in the US.

PCS H3B2

The scores of the American expatriate managers in their banks in London on Uncertainty Avoidance will be higher than the scores of the British managers employed in the same banks.

PCS H3B3

The scores of the Dutch expatriate managers in their banks in London on Uncertainty Avoidance will be lower than the scores of the Dutch HQ officials in the HQ of the same banks in Holland.

PCS H3B4

The scores of the Dutch expatriate managers in their banks in London on Uncertainty Avoidance will be higher than the scores of the British managers employed in the same banks.

PCS H3B5

The scores of the Israeli expatriate managers in their bank in London on Uncertainty Avoidance will be higher than the scores of the Israeli HQ officials in the HQ of the same bank in Israel.

PCS H3B6

The scores of the Israeli expatriate managers in their bank in London on Uncertainty Avoidance will be lower than the scores of the British managers employed in the same bank.

Table 9.5: Mean Scores on Uncertainty Avoidance of the American, Dutch and Israeli Expatriates and their Peers at HQ and Subsidiaries

TYPE OF MANAGER	Total	BANK NATIONALITY		
		American	Dutch	Israeli
British Managers	(86)	41 (49)	10 (20)	44 (17)
Expatriate Managers	(72)	44 (52)	13 (10)	*16A (10)
HQ Officials	(57)	45 (22)	27 (13)	78 (22)
(Hofstede Scores)		46	53	81

One tail test (Z) for difference between means

* Significant difference between EXP and HQ officials; p < .05

A Significant difference between EXP and British managers; p < .05

Table 9.5 shows that the score of the American expatriate managers (44) is similar to the score of the American HQ officials (45). Therefore, the hypothesis PCS H3B1 is not corroborated.

The score of the American expatriate managers (44) is also similar to the score of the British managers employed in the subsidiaries of the same banks (41). Therefore, the hypothesis PCS H3B2 is not corroborated.

The score of the Dutch expatriate managers (13) is lower than the score of the Dutch HQ officials (27). However, the difference is not significant and therefore the hypothesis PCS H3B3 is not corroborated.

The score of the Dutch expatriate managers (13) is similar to the score of the British managers employed in the subsidiaries of the same banks (10), therefore the hypothesis PCS H3B4 is not corroborated.

The score of the Israeli expatriate managers (16) is lower than the score of the Israeli HQ officials (78). The difference is significant. Therefore, the hypothesis PCS H3B5 is corroborated.

The score of the Israeli expatriate managers (16) is lower than the score of the British managers employed in the subsidiaries of the same banks (44). The difference is significant, therefore the hypothesis PCS H3B6 is corroborated.

In summary, the American expatriate managers scored similarly (44) to their HQ officials (45). The British managers in the American subsidiaries in London scored differently from Hofstede's predictions (35). Their scores matched with those of the other two American groups (41). The Dutch expatriates scored on Uncertainty Avoidance (13) similarly to the British managers (10). However, the Dutch HQ officials scored lower (27) than predicted by Hofstede (53). Thus, not only the expatriates but also the HQ officials and the British managers in the Dutch banks scored lower than predicted. In the Israeli bank, the HQ officials scored closely (78) to the predicted score (81) and the British managers scored closely (44) to the predicted by Hofstede (35). However, the expatriate managers scored lower than the two other groups (16).

Individualism

PCS H3C1

The scores of the American expatriate managers in their banks in London on Individualism will be similar to the scores of the American HQ officials in the HQ of the same banks in the US.

PCS H3C2

The scores of the American expatriate managers in their banks in London on Individualism will be similar to the scores of the British managers employed in the same banks.

PCS H3C3

The scores of the Dutch expatriate managers in their banks in London on Individualism will be higher than the scores of the Dutch HQ officials in the HQ of the same banks in Holland.

PCS H3C4

The scores of the Dutch expatriate managers in their banks in London on Individualism will be lower than the scores of the British managers employed in the same banks.

PCS H3C5

The scores of the Israeli expatriate managers in their bank in London on Individualism will be higher than the scores of the Israeli HQ officials in the HQ of the same bank in Israel.

PCS H3C6

The scores of the Israeli expatriate managers in their bank in London on Individualism will be lower than the scores of the British managers employed in the same bank.

Table 9.6: Mean Scores on Individualism of the American, Dutch and Israeli Expatriates and their Peers at HQ and Subsidiaries

TYPE OF MANAGER	Total	BANK NATIONALITY		
		American	Dutch	Israeli
British Managers	(86)	84 (49)	91 (20)	68 (17)
Expatriate Managers	(72)	*50A (52)	*60A (10)	53 (10)
HQ Officials	(57)	78 (22)	40 (13)	61 (22)
(Hofstede Scores)		91	80	54

One tail test (Z) for difference between means

* Significant difference between EXP and HQ officials; p < .05

A Significant difference between EXP and British managers; p < .05

Table 9.6 shows that the score of the American expatriate managers (50) is lower than the score of the American HQ officials (78). The difference is significant and therefore the hypothesis PCS H3C1 is not corroborated.

The score of the American expatriate managers (50) is also lower than the score of the British managers employed in the subsidiaries of the same banks (84). The difference is significant and therefore the hypothesis PCS H3C2 is not corroborated.

The score of the Dutch expatriate managers (60) is higher than the score of the Dutch HQ officials (40). The difference is significant and therefore the hypothesis PCS H3C3 is corroborated.

The score of the Dutch expatriate managers (60) is lower than the score of the British managers employed in the subsidiaries of the same banks (91). The difference is significant and therefore the hypothesis PCS H3C4 is corroborated.

The score of the Israeli expatriate managers (53) is lower than the score of the Israeli HQ officials (61). However, the difference is not significant and therefore the hypothesis PCS H3C5 is not corroborated.

The score of the Israeli expatriate managers (53) is lower than the score of the British managers employed in the subsidiary of the same bank (68). The difference is not significant and therefore the hypothesis PCS H3C6 is not corroborated.

In summary, the American HQ officials' score on Individualism was close (78) to the predicted score (91). The British managers in the subsidiaries of the American banks scored similarly (84) to the prediction (89) too. However, the expatriate managers scored lower (50) than the other two groups. The Dutch HQ officials scored much lower (40) than expected (80), while the British managers in the Dutch subsidiaries scored (91) almost as predicted (89). The Dutch expatriate managers scored 60. Both the Israeli HQ officials (61) and the Israeli expatriates (53) scored as predicted (54). However, the British managers in the Israeli bank scored lower (68) than predicted (89).

Masculinity

PCS H3D1

The scores of the American expatriate managers in their banks in London on Masculinity will be higher than the scores of the American HQ officials in the HQ of the same banks in the US.

PCS H3D2

The scores of the American expatriate managers in their banks in London on Masculinity will be lower than the scores of the British managers employed in the same banks.

PCS H3D3

The scores of the Dutch expatriate managers in their banks in London on Masculinity will be higher than the scores of the Dutch HQ officials in the HQ of the same banks in Holland.

PCS H3D4

The scores of the Dutch expatriate managers in their banks in London on Masculinity will be lower than the scores of the British managers employed in the same banks.

PCS H3D5

The scores of the Israeli expatriate managers in their bank in London on Masculinity will be higher than the scores of the Israeli HQ officials in the HQ of the same bank in Israel.

PCS H3D6

The scores of the Israeli expatriate managers in their bank in London on Masculinity will be lower than the scores of the British managers employed in the same bank.

Table 9.7: Mean Scores on Masculinity of the American, Dutch and Israeli Expatriates and their Peers at HQ and Subsidiaries

TYPE OF MANAGER	Total	BANK NATIONALITY		
		American	Dutch	Israeli
British Managers	(86)	76 (49)	57 (20)	30 (17)
Expatriate Managers	(72)	*51A (52)	*71 (10)	*33 (10)
HQ Officials	(57)	75 (22)	53 (13)	19 (22)
(Hofstede Scores)		62	14	47

One tail test (z) for difference between means

* Significant difference between EXP and HQ officials; p < .05

A Significant difference between EXP and British managers; p < .05

Table 9.7 shows that the score of the American expatriate managers (51) is lower than the score of the American HQ officials (75). The difference is significant and therefore the hypothesis PCS H3D1 is not corroborated.

The score of the American expatriate managers (51) is also lower than the score of the British managers employed in the subsidiaries of the same banks (76). The difference is significant and therefore the hypothesis PCS H3D2 is corroborated.

The score of the Dutch expatriate managers (71) is higher than the score of the Dutch HQ officials (53). The difference is significant and therefore the hypothesis PCS H3D3 is corroborated.

The score of the Dutch expatriate managers (71) is however higher than the score of the British managers employed in the subsidiaries of the same banks (57). Therefore, the hypothesis PCS H3D4 is not corroborated.

The score of the Israeli expatriate managers (33) is higher than the score of the Israeli HQ officials (19). The difference is significant and therefore the hypothesis PCS H3D5 is corroborated.

The score of the Israeli expatriate managers (33) is similar to the score of the British managers employed in the subsidiary of the same bank (30). Therefore, the hypothesis PCS H3D6 is not corroborated.

In summary, the American HQ officials scored on Masculinity higher (75) than predicted (62), as did the British managers in the American subsidiaries who scored (76) close to the expected (66). The American expatriates scored lower (51) than the other two groups and lower than expected (62).

The Dutch HQ officials scored on Masculinity higher (53) than expected (47). The British managers in the Dutch banks scored lower (57) than expected (66). However, the Dutch expatriates scored higher (71) than the other two groups.

As for the Israelis, HQ officials scored lower (19) than expected (47) as did the British managers in the subsidiary of the Israeli bank (30) (against the expected score of 66). The expatriate managers too scored lower (33) than expected and similarly to the scores of the British managers.

Summary of Situations C and D

Analysis of the findings in Tables 9.4, 9.5, 9.6 and 9.7 shows:-

- Power Distance - 4 out of 6 scores of the expatriate managers followed the hypotheses.
- Uncertainty Avoidance - 2 out of 6 scores of the expatriate managers followed the hypotheses.
- Individualism - 2 out of 6 scores of the expatriate managers followed the hypotheses.
- Masculinity - 3 out of 6 scores of the expatriate managers followed the hypotheses.

A comparison of nationalities (rather than of dimensions) shows:-

- American expatriate managers - 2 out of 8 scores followed the hypotheses.
- Dutch expatriate managers - 5 out of 8 scores followed the hypotheses.
- Israeli expatriate managers - 4 out of 8 scores followed the hypotheses.

Thus, in 11 cases (out of 24), the scores for the expatriates are as predicted. This rate of similarities of mean scores of 46% is very close to the random chance (50%). Therefore, the hypotheses derived from the socialisation theory do not predict how expatriate managers in the host country (GB) behave.

Up to this point, Hofstede's mean scores on the four dimensions have been compared with our mean scores. From now on, each theory will be tested twice: First, on the basis of "eco logic" which suggests that the dimensions of culture could be considered as national values but could not represent personal values. Second, on the basis of the "individual logic" which allows measurement of values for individuals.

B. Host Country Socialisation

Expatriate managers will learn patterns of managerial behaviour prevalent in the host country. The longer the expatriate managers are exposed to the host culture, the more likely their tendency to adopt host country patterns of managerial behaviour.

The distribution of the length of service of the expatriate managers in GB is presented in Appendix 1, Table A.2.

Following are the hypotheses derived from the eco logic approach:

HCS H1A (Host Country Socialisation - Hypothesis 1A)

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their Power Distance behaviour and prefer the patterns of behaviour prevalent among the British managers employed in the subsidiaries of their banks in London.

Table 9.8: Mean Scores on Power Distance of the Expatriates who Stay a Short Time and Those who Stay a Long Time in GB and the Scores of the British Managers.

Time in Host Country in Years	NATIONALITY						
	American		Dutch		Israeli		British
DIMENSION	1-2 (14)	3+ (38)	1-2 (7)	3+ (4)	1-2 (6)	3+ (3)	(86)
Power Distance	-10*	41	35	-27	2	10	42

One tail test (Z) for difference between means

* Significant difference between group 1-2 and group 3+; p < . 05

Table 9.8 shows that the scores on Power Distance of the American and the Israeli managers who stayed longer in GB is closer to the British score than the score of the American and Israeli who stayed for shorter time. The Americans scored -10 after 1-2 years and 41 after 3 or more years in GB. The difference is significant. The Israelis scored 2 after 1-2 years and 10 after 3 or more years. The difference was not tested because of the sample small size . The Dutch scored on Power Distance 35 after 1-2 years and -27 after 3 or more years. The difference was not tested because of the sample small size. Thus, the hypothesis HCS H1A is corroborated for the Americans.

HCS H1B

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their Uncertainty Avoidance behaviour and prefer the patterns of behaviour prevalent among the British managers employed in the subsidiaries of their banks in London.

Table 9.9: Mean Scores on Uncertainty Avoidance of the Expatriates who Stay a Short Time and Those who Stay a Long Time in GB and the Scores of the British Managers.

Time in Host Country in Years	NATIONALITY						
	American		Dutch		Israeli	British	
DIMENSION	1-2 (14)	3+ (38)	1-2 (7)	3+ (4)	1-2 (6)	3+ (3)	(86)
Uncertainty Avoidance	52	41	24	10	8	-10	34

One tail test (Z) for difference between means

Table 9.9 shows that the American managers scored on Uncertainty Avoidance 52 after 1-2 years and 41 after 3 or more years. The difference is not significant. However, neither the Dutch nor the Israelis follow this direction. They scored 24 and 10 and 8 and -10 respectively. The differences for these groups were not tested. Therefore, the hypothesis HCS H1B is not corroborated for the Americans.

HCS H1C

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the higher the likelihood that they will change their Individualistic behaviour and prefer the patterns of behaviour prevalent among the British managers employed in the subsidiaries of their banks in London.

Table 9.10: Mean Scores on Individualism** of the Expatriate Managers who Stay a Short Time and Those who Stay a Long Time in GB and the Scores of the British Managers

Time in Host Country in Years	NATIONALITY						
	American		Dutch		Israeli		British
	1-2 (14)	3+ (38)	1-2 (7)	3+ (4)	1-2 (6)	3+ (3)	(86)
Personal Time	3.47	3.13	3.57	3.75	3.50	3.00	3.53
Freedom	3.73	3.05	4.14	4.25	3.50	4.67	3.98
Challenge	4.27*	3.21	4.28	4.00	4.33	5.00	4.53
Desirable Area	3.93	3.16	3.57	4.25	3.83	4.00	3.93
Training	3.33	3.18	3.43	3.25	3.67	4.33	3.49
Physical Conditions	3.40	3.18	3.00	3.25	3.00	3.67	3.23
Use of Skills	3.80	3.32	4.28	4.00	4.17	4.00	4.07
Benefits	3.40	3.02	3.57	3.50	2.60	3.67	3.15
Co-Operation	3.73	3.24	3.86	4.00	3.67	4.00	3.84
Individualism	3.67	3.16	3.74	3.80	3.58	4.03	3.75
SD	.29	.08	.40	.37	.50	.55	.41

One tail T test ; * = Significant Difference; p < .05

** Since no comparison is being made here with Hofstede's national scores, there was no need to adopt his factor loadings which were different from the factor loadings in the present study. Hence, the dimension of Individualism was calculated as a simple average of the 9 goals and therefore each goal received an equal weight.

Table 9.10 may show tendencies for the Dutch and for the Israelis. Both groups scored higher after 3 and more years than after 1-2 years in GB. However, because of the small size of the samples, no statistical test was performed. With regard to the Americans, only one significant difference was found: The American expatriates who stayed in London 3 years and more scored on the goal of "Challenging Work" lower than the American expatriates who stayed 1-2 years. However, no statistical difference was found between the mean scores of the Americans on Individualism. Therefore the hypothesis HCS H1C is not corroborated.

HCS H1D

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their Masculine behaviour and prefer the patterns of behaviour prevalent among the British managers employed in the subsidiaries of their banks in London.

Table 9.11: Mean Scores on Masculinity** of the Expatriate Managers who Stay a Short Time and Those who Stay a Long Time in GB and the Scores of the British Managers

Time in Host Country in Years	NATIONALITY						
	American		Dutch		Israeli		British
	1-2 (15)	3+ (38)	1-2 (7)	3+ (4)	1-2 (6)	3+ (3)	(86)
DIMENSION							
Manager	3.80	3.31	4.00	4.00	3.40	4.00	4.03
Co-Operation	3.73	3.24	3.86	4.00	3.67	4.00	3.84
Desirable Area	3.93	3.16	3.57	4.25	3.83	4.00	3.93
Security	3.27	3.15	3.00	3.25	2.83	3.67	3.45
Earnings	3.80	3.21	4.00	3.75	3.00	4.00	3.90
Recognition	3.75	3.12	3.57	4.00	3.50	4.67	4.03
Advancement	3.87	3.26	4.28	4.00	3.20	4.67	4.15
Challenge	4.27	3.21	4.28	4.00	4.33	5.00	4.53
Use of Skills	3.80	3.32	4.28	4.00	4.17	4.00	4.07
Masculinity	3.80	3.22	3.87	3.91	3.55	4.22	3.99
SD	.24	.06	.40	.26	.48	.42	.27

One tail t test; * = Significant Difference; P < .05

** The calculation of the dimension of Masculinity was made in the same way as the calculation of the dimension of Individualism.

Table 9.11 shows tendencies for the Dutch and the Israelis. Both groups scored on Masculinity higher after 3 and more years than after 1-2 years in GB. However, because of the small sample size, no statistical tests were performed. With regard to the Americans, no significant differences were found between the goal importance of the expatriates who stayed one or two years in London and those who stayed longer. Therefore, the hypothesis HCS H1D is not corroborated.

Following are the hypotheses derived from the individual logic approach:

HCS H2

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their goal priorities and prefer the goals prevalent among the British managers employed in the subsidiaries of their banks in London.

Table 9.12: Goal Priorities Ranking of the Expatriates who Stay a Short Time and Those who Stay a long Time in GB and the Goal Priorities of the British Managers

Time in Host Country in Years	NATIONALITY									
	American		Dutch		Israeli		TOTAL EXPAT		British	
	1-2 (14)	3+ (38)	1-2 (7)	3+ (4)	1-2 (6)	3+ (3)	1-2 (27)	3+ (45)	(86)	
GOALS										
Challenge	1	5.5	2	5.5	1	1	1	5	1	
Advancement	3	3	2	5.5	10	2	4	3	2	
Use of Skills	5	1	2	5.5	2	8	2	1	3	
Recognition	7	12	9.5	5.5	7	3	9	11	4.5	
Manager	5	2	5.5	5.5	9	8	5	2	4.5	
Freedom	8.5	13	4	1.5	7	3	7	13	6	
Desirable Area	2	9	9.5	1.5	3	8	3	9	7	
Earnings	5	5.5	5.5	9.5	11.5	8	6	6	8	
Co-operation	8.5	4	7	5.5	4.5	8	8	4	9	
Personal Time	10	11	9.5	9.5	7	14	10	12	10	
Training	13	7.5	12	1.3	4.5	5	11	7	11	
Security	14	10	13.5	13	13	11	14	10	12	
Phy. Cond.	11.5	7.5	13.5	13	11.5	11	13	8	13	
Benefits	11.5	14	9.5	11	14	11	12	14	14	

Table 9.12 shows the order of goal priorities of the American, Dutch and Israeli expatriate managers after 1 or 2 years in England, in comparison with the order of priorities of the same nationalities after 3 years or more.

Spearman Rank Correlation tests give the following results:-

TEX(1-2)	with	British	:	r =.978	p<.01
TEX(3+)	with	British	:	r =.926	p<.01
<u>TEX(1-2)</u>	<u>with</u>	<u>TEX(3+)</u>	<u>:</u>	<u>r =.595</u>	<u>p<.05</u>
AM (1-2)	with	British	:	r =.843	p<.01
AM (3+)	with	British	:	r =.530	p<.05
<u>AM (1-2)</u>	<u>with</u>	<u>AM (3+)</u>	<u>:</u>	<u>r =.450</u>	<u>NS</u>
DU (1-2)	with	British	:	r =.841	p<.01
DU (3+)	with	British	:	r =.732	p<.01
<u>DU (1-2)</u>	<u>with</u>	<u>DU (3+)</u>	<u>:</u>	<u>r =.680</u>	<u>p<.01</u>
IS (1-2)	with	British	:	r =.928	p<.01
IS (3+)	with	British	:	r =.741	p<.01
<u>IS (1-2)</u>	<u>with</u>	<u>IS (3+)</u>	<u>:</u>	<u>r =.477</u>	<u>p<.05</u>

TEX= Total expatriates

AM = American

DU = Dutch

IS = Israeli

These results show that there is a high correlation between the goal priorities of the American, Dutch and Israeli expatriate managers and those of the British managers. The correlation between the goal priorities of the expatriate managers and the goal priorities of the British managers is consistently stronger during the first two years of their stay in London than after three years and more. Thus, the hypothesis HCS H2 is not corroborated.

HCS H3

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their preference for the desired managerial style of their immediate superior and prefer the managerial style prevalent among the British managers employed in the subsidiaries of their banks in London.

Table 9.13: Frequencies of Responses of Preferred Leadership Style of the Expatriates who Stay a Short Time and Those who Stay a Long Time in GB and that of the British Managers

Time in Host Country in Years	NATIONALITY						
	American		Dutch		Israeli		British
DESIRED LEADERSHIP STYLE (FREQ)	1-2 (15)	3+ (37)	1-2 (7)	3+ (4)	1-2 (6)	3+ (3)	(86)
1 Tells	0.0% (0)	2.7% (1)	14.3% (1)	-	0.0% (0)	-	1.2% (1)
2 Sells	6.7% (1)	16.2% (6)	0.0% (0)	-	16.7% (1)	33.3% (1)	22.1% (19)
3 Consults	86.6% (13)	67.6% (25)	57.1% (4)	100.0% (4)	66.6% (4)	66.7% (2)	65.1% (56)
4 Joins	6.7% (1)	13.5% (5)	28.6% (2)	-	16.7% (1)	-	11.6% (10)
Total	100%	100%	100%	100%	100%	100%	100%

CHI SQUARE test

Table 9.13 shows that the preferred leadership style of the group of American expatriates who stayed a short time and the group of the American expatriates who stayed a long time in GB is similar. A Chi Square test between these two groups revealed no relationship between nationality and preferred leadership style. The same tests were applied to the groups of Dutch and Israeli expatriates. No relationship between nationality and leadership style were found. Most of the expatriates endorsed the type 3 leadership style ("Consults") rather than the other three types. The British managers shared the same preferences. Therefore, the hypothesis HCS H3 cannot be tested.

HCS H4

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their expression of disagreement (between subordinates and superiors) and prefer the attitude prevalent among the British managers employed in the subsidiaries of their banks in London.

Table 9.14: Mean Scores on Attitudes of the Expatriate Managers who Stay a Short Time and Those who Stay a Long Time in GB and the Attitudes of the British Managers towards the Statement that "Employees are Afraid to Disagree with their Managers"

Time in Host Country in Years	NATIONALITY						
	American		Dutch		Israeli		British
	1-2 (14)	3+ (38)	1-2 (7)	3+ (4)	1-2 (6)	3+ (3)	(86)
STATEMENT							
Employees Afraid to Disagree with their Manager	3.40	3.11	2.86	3.50	3.33	3.67	3.15

One tail T test

Table 9.14 indicates that there is a tendency among the Dutch managers who have been in London for less than 2 years to believe that employees are afraid to express disagreement with their superiors (2.86). In all other cases, the managers claimed that, in general, employees are not afraid. The American expatriates' scores (3.40 and 3.11 respectively), and the Dutch expatriates' scores (2.86 and 3.50 respectively) tend to move towards the British managers' scores (3.15). However, this tendency does not characterise the Israelis. Therefore, the hypothesis HCS H4 is not corroborated.

HCS H5

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their attitudes towards employees right to break company rules and prefer the attitudes prevalent among the British managers employed in the subsidiaries of their banks in London.

Table 9.15: Mean Scores on the Attitudes of the Expatriate Managers who Stay a Short Time and Those who Stay a Long Time in GB and the Attitudes of the British Managers towards the Act of Breaking Company Rules

Time in Host Country in Years	NATIONALITY							
	American		Dutch		Israeli		British	
	1-2 (15)	3+ (38)	1-2 (7)	3+ (4)	1-2 (6)	3+ (3)	(86)	
ATTITUDE								
Not Breaking Company Rules	3.00	3.00	3.00	3.00	2.83	3.67	3.20	

One tail T test

Table 9.15 shows that most managers scored in the middle (3 out of 5) on the question whether company rules should be or should not be broken. Hence, there are no significant differences between the scores of the managers who stay for a long time and those who stay for a short time in GB. However, it can be seen that the British managers are more strict about rule keeping (3.20) than the Americans and the Dutch managers (3.00). The Israelis show tendencies of changing their attitude from rule breaking (2.83) towards rule keeping (3.67). However, the sample size is too small for statistical analysis. Hence, the hypothesis HCS H5 is not corroborated.

HCS H6

The longer the stay of the American, Dutch and Israeli expatriate managers in the host country (GB), the greater the likelihood that they will change their level of tension at work and match the level of tension prevalent among the British managers employed in the subsidiaries of their banks in London.

Table 9.16: Mean Scores of Expressed Levels of Tension at Work of the Expatriate Managers who Stay a Short Time and Those who Stay a Long Time in GB and of the British Managers.

Time in Host Country in Years	NATIONALITY						
	American		Dutch		Israeli		British
	1-2 (15)	3+ (38)	1-2 (7)	3+ (4)	1-2 (6)	3+ (3)	
STATEMENT							(86)
Tension at Work	3.26	3.08	3.57	3.75	2.20	3.33	3.31

One tail T test

Table 9.16 indicates that the Dutch and the Israeli managers perceived a higher level of tension at work (3.57 and 3.75 and 2.20 and 3.33 respectively) in GB. The American managers perceived a lower level of tension (3.26 and 3.08) in GB. However, the shift from the parent country to the host country is not significant. Therefore, the hypothesis HCS H6 is not corroborated.

2. ROLE THEORY

While HQ officials work in the parent country culture, and host country managers work in the host country culture, expatriate managers are satellites of the parent culture into the host culture. Hence, their role is different from roles of the other two groups of managers.

Following are the hypotheses derived from the eco logic approach:

RH1A (Role Hypothesis 1A)

The scores of the expatriate managers (American, Dutch and Israeli) in their banks in London on Power Distance will be lower than the scores of the HQ officials in the HQ of the same banks.

Table 9.17: Mean Scores of the HQ Officials and the Expatriate Managers of Three Nationalities on Power Distance

ROLE	HQ Officials	Expatriate Managers
CULTURE DIMENSION	(57)	(72)
Power Distance	57*	23

One tail test (Z) for difference between means; * Significant difference between HQ officials and expatriate managers; p<.05

Table 9.17 shows that the expatriate managers' mean score on Power Distance (23) is lower than the score of the HQ officials (57). The difference is significant. Therefore the hypothesis RH1A is corroborated. This means that regardless of nationality, the HQ officials in the HQ of their banks in the parent country tend to perceive more Power Distance in their organisations than the expatriate managers in the subsidiaries in the host country (GB).

RH1B

The scores of the expatriate managers in their banks in London on Uncertainty Avoidance will be lower than the scores of the HQ officials in the HQ of the same banks.

Table 9.18: Mean Scores of the HQ Officials and the Expatriate Managers of Three Nationalities on Uncertainty Avoidance

ROLE	HQ Officials	Expatriate Managers
CULTURE DIMENSION	(57)	(72)
Uncertainty Avoidance	54*	36

One tail test (Z) for difference between means ; * Significant difference ; $p < .05$

Table 9.18 shows that the expatriate managers' scores on Uncertainty Avoidance (36) is lower than the score of the HQ officials (54). The difference is significant. Therefore, the hypothesis RH1B is corroborated. It means that regardless of their nationality the HQ officials are avoiding uncertainty more than the expatriate managers.

RH1C

The scores of the expatriate managers in their banks in London on Individualism will be lower than the scores of the HQ officials in the HQ of the same banks.

Table 9.19: Mean Scores of the HQ Officials and the Expatriate Managers of Three Nationalities on the Components of Individualism

ROLE	HQ Officials	Expatriate Managers
COMPONENT	(57)	(72)
Personal Time	3.40	3.30
Freedom	4.29*	3.44
Challenge	4.72*	3.73
Desirable Area	3.91	3.48
Training	3.71	3.39
Physical Conditions	3.31	3.23
Use of Skills	4.37*	3.63
Benefits	3.36	3.18
Co-Operation	4.17*	3.51
Individualism	3.91	3.43
SD	.47	.17

One tail T test; * Significant difference; p<.05

Table 9.19 shows that the scores of the HQ officials are significantly higher than the scores of the expatriate managers on 4 items: Freedom, Challenge, Use of Skills and Co-operation. On the remaining 5 items the scores of the HQ officials are higher than the scores of the expatriate managers but the differences between these two groups are not significant. The score of the HQ officials on Individualism (3.91) is higher than the score of the expatriate managers (3.43). However, this difference is not significant. Therefore, the hypothesis RH1C is not corroborated.

It means that in some aspects of their goals the HQ officials are more individualistic than the expatriate managers, but in other aspects there are no differences between the two groups.

RH1D

The scores of the expatriate managers in their banks in London on Masculinity will be lower than the scores of the HQ officials in the HQ of the same banks.

Table 9.20: Mean Scores of the HQ Officials and the Expatriate Managers of Three Nationalities on the Components of Masculinity

ROLE	HQ Officials	Expatriate Managers
COMPONENT	(57)	(72)
Manager	4.19*	3.64
Co-Operation	4.17*	3.51
Desirable Area	3.91*	3.48
Employment Security	3.35	3.16
Earnings	3.98*	3.43
Recognition	4.17*	3.44
Advancement	4.19*	3.59
Challenge	4.72*	3.73
Use of Skills	4.37*	3.63
Masculinity	4.11*	3.51
SD	.35	.15

One tail T test; * Significant Difference; $p < .05$

Table 9.20 shows that the score of the expatriate managers on Masculinity (3.51) is significantly lower than the score of the HQ officials (4.11). On eight out of nine items - the differences between the two groups are significant. Only on the item of security is there no significant difference. Therefore, the hypothesis RH1D is corroborated. This means that the expatriate managers are less masculine in their goal importance than the HQ officials.

Following are the hypotheses derived from the individual logic approach:

RH2

The scores of the expatriate managers in their banks in London on socially related goals will be lower than the scores of the HQ officials in the HQ of the same banks.

Table 9.21: Mean Scores of the HQ Officials and the Expatriate Managers of Three Nationalities on the Importance of Social Goals.

ROLE	HQ Officials	Expatriate Managers
GOAL	(57)	(72)
Co-operation	4.17*	3.51
Consultation	3.67*	3.32
Help others	3.49*	3.18
AVERAGE	3.77*	3.33
SD	.28	.13

One tail T test; * Significant Difference ; P < .05

Table 9.21 shows that the scores of the HQ officials on socially related goals (3.77) are significantly higher than the scores of the expatriate managers (3.33). Therefore, the hypothesis RH2 is corroborated.

This means that expatriate managers place less importance on socially related goals than do HQ officials.

RH3

The scores of the expatriate managers in their banks in London on the desired leadership style of their immediate superiors will be similar to the scores of the HQ officials in the HQ of the same banks.

Table 9.22: Frequencies of Responses of the HQ Officials and the Expatriate Managers of Three Nationalities on the Desired Leadership Style of Their Superiors.

ROLE	HQ Officials	Expatriate Managers
DESIRED LEADERSHIP STYLE (FREQ)	(57)	(72)
1 Tells	0.0% (0)	1.4% (1)
2 Sells	21.0% (12)	16.7% (12)
3 Consults	63.2% (36)	68.0% (49)
4 Joins	15.8% (9)	13.9% (10)
Total	100%	100%

CHI SQUARE test

Table 9.22 indicates that there is no significant relationship between type of manager and preference for a leadership style. Therefore, the hypothesis RH3 is corroborated. This means that regardless of role or nationality, most managers expect their immediate superiors to have a "consultative" style of management.

RH4

Expatriate managers in their banks in London perceive a wider gap between the desired and the existing managerial style of their immediate superiors than HQ officials in HQ.

Table 9.23: Frequency of Responses of the HQ Officials and the Expatriate Managers on the Score Differences between the Desired and the Perceived Leadership Style of their Direct Superior.

ROLE	HQ Officials (57)	Expatriate Managers (72)
LEADERSHIP STYLE (Desired Minus Perceived)		
- 3 Too Democratic	0.0% (0)	2.8% (2)
- 2	1.8% (1)	2.8% (2)
- 1	5.3% (3)	9.7% (7)
0 No Gap	33.3% (19)	47.2% (34)
+1	42.1% (24)	23.6% (17)
+2 Too Autocratic	14.0% (8)	13.9% (10)
+3	3.5% (2)	0.0% (0)
Total	100%	100%

In order to test the hypothesis, a further development of Table 9.23 is required. This development is presented in Table 9.23A.

Table 9.23A: Frequencies of Responses on Gaps that the HQ Officials and the Expatriate Managers Identified between the Present and the Desired Leadership Style of their Superiors.

ROLE	HQ Officials (57)	Expatriate Managers (72)
GAP IN LEADERSHIP STYLE		
YES	66.7% (38)	52.8% (38)
NO	33.3% (19)	47.2% (34)
Total	100%	100%

CHI SQUARE test

Table 9.23A shows that a greater percentage of the HQ officials (66.7%) identified a gap between the desired and the present leadership style of their immediate superior than the expatriate managers (52.8%). However, no significant relationship was found between type of manager and the perception of a gap between the desired and the present leadership style of the immediate superior.

Table 9.23B: Frequencies of Responses on Types of Gaps Identified by the HQ Officials and the Expatriate Managers in the Leadership Style of their Immediate Superiors

ROLE	HQ Officials (38)	Expatriate Managers (37)
TYPE OF GAP		
Too Democratic	7.0% (4)	15.2% (11)
Too Autocratic	59.6% (34)	37.5% (27)
Total	100%	100%

CHI SQUARE test; $X^2 = 4.06$; $p < .05$

Table 9.23B shows that while many of the HQ officials (59.6%) perceived their managers to be too autocratic, only a few (7%) perceived them to be too democratic. As for the expatriate managers, the results are slightly different. Some of the expatriate managers (15.2) criticise their immediate superiors for being too democratic and others (37.5) criticise their superiors for being too autocratic. The difference between the expatriate managers and the HQ officials is significant ($X^2 = 4.06; p < .05$). However, Table 9.23A shows that, though the two types of criticism are of a different nature, the levels of criticism of immediate superior's leadership style made by the expatriates and the HQ officials are similar. Therefore, the hypothesis RH4 is not corroborated.

RH5

The scores of the expatriate managers in their banks in London on the statement that "Employees are afraid to express disagreement with their managers" will be similar to the scores of the HQ officials in the HQ of the same banks.

Table 9.24: Mean Scores of Attitudes of the HQ Officials and the Expatriate Managers Concerning the Statement that "Employees are Afraid to Disagree with their Managers".

ROLE	HQ Officials	Expatriate Managers
STATEMENT	(57)	(72)
Employees are Afraid to Disagree with their Managers	2.98	3.19

Two tailed T test

Table 9.24 shows that there is no difference between the score of the HQ officials and the score of the expatriate managers regarding the statement that employees are afraid to disagree with their superiors. Therefore, the hypothesis RH5 is corroborated.

RH6

Expatriate managers will express more tolerance towards the right of employees to break company rules than HQ officials in the HQ of the same banks.

Table 9.25: Mean Scores on the Expressed Levels of Tolerance of the HQ Officials and the Expatriate Managers towards the Right of Employees to Break Company Rules.

ROLE	HQ Officials (57)	Expatriate Managers (72)
STATEMENT		
Not Breaking Company Rules.	3.05	3.02

One tail T test

Table 9.25 shows that there is no difference between the level of tolerance of the expatriate managers and the level of tolerance of the HQ officials towards employees' right to break company rules. Therefore, the hypothesis RH6 is not corroborated.

RH7

Expatriate managers will perceive a higher level of tension at work than the HQ officials in the HQ of the same banks.

Table 9.26: Mean Scores on the Expressed Levels of Tension of the HQ Officials and the Expatriate Managers.

ROLE	HQ officials (57)	Expatriate Managers (72)
STATEMENT		
Tension at Work	3.21	3.25

One tail T test

Table 9.26 shows that the expatriate managers (3.25) do not perceive a higher level of tension at work than the HQ officials (3.21). Therefore, the hypothesis RH7 is not corroborated.

RH8

Expatriate managers will perceive a higher level of tension at work in their first year than in later years of their service.

Table 9.27: Mean Scores on the Expressed Levels of Tension at Work of the Expatriate Managers After One Year and After Two Years and More in the Host Country (GB)

YEARS IN GB	0-1	2+
STATEMENT	(10)	(61)
Tension at Work	3.40	3.21

One tail T test

Table 9.27 shows that there is no difference in the perceived levels of tension at work between the group of the expatriate managers who have stayed one year in the host country (3.40) and the group of the expatriate managers who have stayed longer (3.21). Therefore, the hypothesis RH8 is not corroborated.

3. THEORY OF POWER

The theory of power is analysed by using an intervening variable - that of level in the organisational hierarchy. The assumption is that the higher the managers climb up the organisational ladder the higher their use of power.

The distribution of the managers' ranks is presented in Appendix 1, Tables A1, A7 and A13.

Following are the hypotheses derived from the eco logic approach:

PH1A (Power Hypothesis 1A)

Regardless of nationality or role, the higher the level of the managers (expatriate managers, HQ officials and host country managers) in the hierarchy, the greater the likelihood of their scoring high on Power Distance.

Table 9.28: Mean Scores of the Upper, Upper-Middle and Lower-Middle Management on Power Distance (N=253)

CULTURAL DIMENSION	LEVEL IN HIERARCHY		
	Upper (29)	Upper Middle (132)	Lower Middle (92)
Power Distance	66*	40	35

One tail test (Z) for difference between means; * Significant difference between the upper level and the upper middle level; $p < .05$

Table 9.28 shows that the score of the upper level managers on Power Distance (66) is higher than the score of the upper-middle managers (40). The difference is significant. The score of the upper middle managers on Power Distance is higher than the score of the lower-middle managers (35). The difference is not significant. Therefore, the hypothesis PH1A is corroborated for the difference between the upper level and the middle and the lower levels, but not for the difference between middle level and lower level.

This means that the level of Power Distance of the managers in the upper positions is higher than the level of Power Distance of the managers in the upper middle and the lower middle positions. However there are no differences between the two groups in middle management.

PH1B

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their scoring low on Uncertainty Avoidance.

Table 9.29: Mean Scores of the Upper, Upper-Middle and Lower-Middle Management on Uncertainty Avoidance (N=253)

CULTURAL DIMENSION	LEVEL IN HIERARCHY		
	Upper (29)	Upper Middle (132)	Lower Middle (92)
Uncertainty Avoidance	24	31	47*

One tail test (Z) for difference between means; * Significant differences between the lower middle group and the upper and the upper middle groups; $p < .05$

Table 9.29 shows that the managers in the upper positions scored on Uncertainty Avoidance (24) lower than the managers in the upper-middle positions (31). However, the difference between the scores of the two groups is not significant. The managers in the upper (24) and the upper middle (31) positions scored significantly lower than the managers in the lower-middle positions (47). Therefore, the hypothesis PH1B is corroborated for the difference between the lower level, and the upper middle and the upper levels but not for the difference between upper level and middle level. This means that the managers in the upper and the upper middle positions are willing to take more uncertainty than the managers in the lower middle positions.

PH1C

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their scoring high on Individualism.

Table 9.30: Mean Scores of the Upper, Upper-Middle and Lower-Middle Management on the 9 Components of Individualism (N=253)

COMPONENT	LEVEL IN HIERARCHY		
	Upper (29)	Upper Middle (132)	Lower Middle (92)
Personal Time	3.27	3.50	3.42
Freedom	4.07	3.93	3.82
Challenge	4.51	4.39	4.29
Desirable Area	3.75	3.80*	3.79*
Training	3.10	3.54*	3.56*
Physical Conditions	3.20	3.28	3.27
Use of Skills	4.17	4.00	3.89
Benefits	3.27***	3.28	3.17
Co-operation	4.06	3.83	3.71
AVERAGE	3.71	3.72	3.65

One tail T test; * - Upper Middle or Lower Middle > Upper; *** - Upper > Lower Middle; p < .05

Table 9.30 shows that for most items there are no significant differences between the upper, the upper middle and the lower middle levels of management. The average scores (3.71, 3.72 and 3.65) are not significantly different. Therefore, the hypothesis PH1C is not corroborated. This means that regardless of rank, the three groups of managers share the same view of the importance of the cluster of goals called "Individualism".

PH1D

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their scoring high on Masculinity.

Table 9.31: Mean Scores of the Upper, Upper-Middle and Lower-Middle Management on the 9 Components of Masculinity (N=253)

COMPONENT	LEVEL IN HIERARCHY		
	Upper (29)	Upper Middle (132)	Lower Middle (92)
Manager	3.92	3.96	3.88
Co-Operation	4.06***	3.83	3.71
Desirable Area	3.75	3.80	3.79
Employment Security	3.17	3.41	3.23
Earnings	3.96	3.83	3.69
Recognition	3.72	3.98	3.88
Advancement	4.03	4.05	4.04
Challenge	4.51	4.39	4.29
Use of Skills	4.17	4.00	3.89
AVERAGE	3.92	3.92	3.82

One tail T test; *** - Upper > Lower Middle; P < .05

Table 9.31 shows that there are no differences between the scores of the upper management, the upper middle management and the lower middle management on Masculinity. Therefore, the hypothesis PH1D is not corroborated. This means that regardless of rank, these three groups of managers share the same view of the importance of the cluster of goals called "Masculinity".

Following are the hypotheses derived from the individual logic approach:

PH2

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their scoring higher on "motivator" goals than on "hygiene" goals.

Table 9.32: Mean Scores of the Upper, Upper Middle and Lower Middle Management on Motivators and Hygiene Goals (N=253)

GOALS	LEVEL IN HIERARCHY		
	Upper (29)	Upper Middle (132)	Lower Middle (92)
Motivators			
Challenge	4.51	4.40	4.29
Advancement	4.03	4.04	4.04
Use of Skills	4.17	4.00	3.89
Recognition	3.72	3.98	3.88
Freedom	4.07	3.93	3.83
Average	4.10	4.07	3.98
Hygiene			
Desirable area	3.76	3.80	3.79
Earnings	3.97	3.83	3.69
Security	3.17	3.41	3.23
Physical Conditions	3.20	3.28	3.27
Benefits	3.27	3.29	3.17
Average	3.47	3.52	3.43
DIFFERENCES BETWEEN AVERAGES	.63	.55	.55

One tail T test

Table 9.32 shows that all three groups of managers score higher on Motivators than on Hygiene goals. However, there are no differences between the average difference scores of the three levels of management on the motivators and the hygiene goals. Therefore, the hypothesis PH2 is not corroborated. This means that regardless of rank, these managers put more importance on motivators than on hygiene factors in their work.

PH3

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their scoring higher on "company related goals" than on "people related goals".

Table 9.33: Mean Scores of the Upper, Upper Middle and Lower Middle Managers on Company Orientated Goals and People Orientated Goals (N=253).

GOALS	LEVEL IN HIERARCHY		
	Upper (29)	Upper Middle (132)	Lower Middle (92)
People Orientated			
Co-operation	4.06*	3.83	3.71
Consultation	3.72	3.63	3.53
Help Others	3.10	3.31	3.08
AVERAGE	3.63	3.59	3.44
Company Orientated			
Contribution to Company	4.13*	4.00**	3.71
Efficient Department	3.75	3.67	3.73
Successful Company	3.34	3.46**	3.04
AVERAGE	3.74*	3.71**	3.49
DIFFERENCE BETWEEN AVERAGES	.11	.12	.05

One tail T test; * - Upper > Lower Middle; ** - H2 > H3; p < .05

Table 9.33 shows that there are no differences between the scores of the three levels of management in their endorsement of "people orientated goals". Only on one item - that of Co-operation - upper management score (4.06) is significantly different from the score of the managers in the lower middle positions (3.71). With regard to "company orientated goals", there are significant differences between the score of the upper level (3.74) and the score of the lower middle level (3.49) and between the score of the upper middle level (3.71) and the score of the lower middle level (3.49). However, there are no differences between the average scores of the three groups of managers on "people orientated goals" and "company orientated goals". Therefore, the hypothesis PH3 is not corroborated.

This means that the three groups of managers do not differ in their endorsement of people orientated goals. However, the company related goals become more important as the managers climb the hierarchical ladder.

PH4

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their considering the leadership style of their immediate superior as "autocratic".

Table 9.34: Frequency of Responses of the Upper, Upper Middle and Lower Middle Management on the Perceived Leadership Style of their Direct Superior (N = 248)

PERCEIVED LEADERSHIP STYLE	LEVEL IN HIERARCHY		
	Upper (28)	Upper middle (128)	Lower Middle (89)
1 Tells	17.8% (5)	21.1% (27)	21.3% (19)
2 Sells	28.6% (8)	27.3% (35)	29.2% (26)
3 Consults	28.6% (8)	45.3% (58)	40.5% (36)
4 Joins	25.0% (7)	6.3% (8)	9.0% (8)
Total	100%	100%	100%

CHI SQUARE test

Table 9.34 shows that there is no relationship between the level of management and the leadership style of immediate superior. Therefore, hypothesis PH4 is not corroborated. The table indicates that the type of leadership style of immediate superiors, as perceived by the managers, is distributed similarly for the three levels of management.

PH5

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the lesser the likelihood of their stating that their subordinates are afraid to express disagreement with them.

Table 9.35: Mean Scores of the Upper, Upper Middle and Lower Middle Management on the statement that Employees Are Afraid to Disagree with their Managers (N = 253)

STATEMENT	LEVEL IN HIERARCHY		
	Upper (29)	Upper middle (132)	Lower Middle (92)
Employees are Afraid To Express Disagreement	3.38	3.21	3.14

One tail T test

Table 9.35 shows that there are no significant differences between the scores of the three levels of managers on the statements that employees are afraid to disagree with their superiors. Therefore, the hypothesis PH5 is not corroborated.

This means that managers, regardless of their organisational rank, believe that employees are sometimes afraid to disagree with their superiors. Climbing up the organisational ladder does not change the intensity of this feeling.

PH6

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the lesser the likelihood of their tolerating employees' right to break company rules.

Table 9.36: Mean Scores on the Expressed Levels of Tolerance of the Upper, Upper Middle and Lower Middle Management Regarding the Right of Employees to Break Company Rules (N = 253)

STATEMENT	LEVEL IN HIERARCHY		
	Upper (29)	Upper Middle (132)	Lower Middle (92)
Company Rules Should Not Be Broken	2.62	3.17*	3.01

One tail T test; * Significant Difference ; p<.05

Table 9.36 shows that the upper middle management (3.17) perceive significantly lower level of tolerance than the upper management (2.62) and non-significantly lower level of tolerance than the lower middle management (3.01) towards the right of employees to break company rules. The tendency described here does not follow the hypothesis. Therefore, the hypothesis PH6 is not corroborated. These results mean that managers in top positions claim that they are more tolerant than the managers in the upper-middle and the lower-middle levels towards the right of employees to break company rules. They believe that if the employees think that they should break the company rules for the benefit of the company, then they should do so.

PH7

Regardless of nationality or role, the higher the level of the managers in the hierarchy, the greater the likelihood of their stating a high degree of tension in their work.

Table 9.37: Mean Scores of the Upper, Upper Middle and Lower Middle Management on their Perceived Level of Tension at Work (N=253)

STATEMENT	LEVEL IN HIERARCHY		
	Upper (29)	Upper Middle (132)	Lower Middle (92)
Tension at Work	3.27	3.24	3.28

One tail T test

Table 9.37 shows that there are no differences between the expressed level of tension of the three levels of management. Therefore, the hypothesis PH7 is not corroborated. This means that the perception of tension at work is not a function of the managers' rank.

PH8A

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their scoring high on Power Distance.

Table 9.38: Mean Scores of the Upper, Upper Middle and Lower Middle Expatriate Managers on Power Distance

CULTURAL DIMENSION	LEVEL IN HIERARCHY		
	Upper (7)	Upper Middle (41)	Lower Middle (22)
POWER DISTANCE	-11	59*	11

One tail test (Z) for difference between means; * Significant difference between Upper Middle and Lower Middle; $p < .05$

Table 9.38 shows that the expatriate managers in the highest hierarchical level score the lowest on Power Distance (-11). The expatriates in the upper-middle hierarchical levels score 59. The difference between these two groups is not significant. The expatriates in the lower-middle levels score lower (11) than the expatriates in the upper-middle levels (59). The difference between these two groups is significant. Thus the hypothesis PH8A is not corroborated.

This means that the expatriate managers in top positions do not see Power Distance being exercised in their organisations. This view, which is partially shared by the lower-middle expatriate managers, is not shared by the upper-middle expatriates.

PH8B

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their scoring low on Uncertainty Avoidance.

Table 9.39: Mean Scores of the Upper, Upper-Middle and Lower-Middle Expatriate Managers on Uncertainty Avoidance.

CULTURAL DIMENSION	LEVEL IN HIERARCHY		
	Upper (7)	Upper Middle (41)	Lower Middle (22)
UNCERTAINTY AVOIDANCE	47	32	31

One tail test (Z) for difference between means

Table 9.39 shows that the expatriate managers in the upper level score higher (47) than the expatriate managers in the upper-middle positions (32). However, the difference is not significant. The expatriates in the upper middle positions score similarly to the expatriate managers in the lower middle positions (31). Therefore, the hypothesis PH8B is not corroborated.

This means that the expatriate managers in the middle levels of the hierarchy (upper and lower) tolerate uncertainty to the same extent as expatriate managers in the top positions.

PH8C

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their scoring high on Individualism.

Table 9.40: Mean Scores of the Upper, Upper Middle and Lower Middle Expatriate Managers on the Components of Individualism

DIMENSIONS COMPONENT	LEVEL IN HIERARCHY		
	Upper (7)	Upper Middle (41)	Lower Middle (22)
Personal Time	3.71	3.32	3.09
Freedom	4.00	3.39	3.32
Challenge	4.00	3.68	3.68
Desirable Area	3.71	3.46	3.41
Training	2.86	3.41	3.50
Physical Conditions	3.00	3.27	3.23
Use of Skills	4.00	3.61	3.54
Benefits	3.28	3.29	2.95
Co-Operation	3.57	3.56	3.32
AVERAGE	3.57	3.44	3.34

One tail T test

Table 9.40 shows that the score of the expatriate managers in the upper levels of management on the 9 components of Individualism (3.57) is higher than the score of the expatriate managers in the upper-middle levels (3.44). The score of the latter is higher than the score of the expatriate managers in the lower-middle positions (3.34). This trend is typical for 7 out of 9 components. This is not so for the components of Training and Physical Conditions. However, none of the differences is significant. Therefore, the hypothesis PH8C is not corroborated.

This means that the level of Individualism is not a function of the level of the expatriate manager in the hierarchy.

PH8D

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their scoring high on Masculinity.

Table 9.41: Mean Scores of the Upper, Upper middle and Lower Middle Expatriate Managers on the Components of Masculinity

DIMENSION COMPONENTS	LEVEL IN HIERARCHY		
	Upper (7)	Upper Middle (41)	Lower Middle (22)
Manager	3.67	3.65	3.23
Co-operation	3.57	3.56	3.32
Desirable Area	3.71	3.46	3.41
Employment Security	3.28	3.19	3.14
Earnings	3.71	3.49	3.14
Recognition	3.43	3.51	3.27
Advancement	3.67	3.64	3.41
Challenge	4.00	3.68	3.68
Use of Skills	4.00	3.32	3.09
AVERAGE	3.67	3.50	3.29

One tail T test

Table 9.41 shows that the score of the expatriate managers in the upper levels of the hierarchy on the 9 components of Masculinity (3.67) is higher than the score of the expatriate managers in the upper-middle levels (3.50). The score of the latter is higher than the score of the expatriate managers in the lower-middle positions (3.29). This trend is typical not only for the final mean scores but also for 8 out of 9 components. It is not so for the component of Recognition. However, none of the differences are significant. Therefore the hypothesis PH8D is not corroborated.

This means that the level of Masculinity of the expatriate managers is not a function of their ranks.

Following are the hypotheses derived from the individual logic approach:

PH9

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their obtaining higher scores on "motivators" goals than on "hygiene" goals.

Table 9.42: Mean Scores of the Upper, Upper Middle and Lower Middle Expatriate Managers on Motivators and Hygiene Goals (N=70)

GOALS	LEVEL IN HIERARCHY		
	Upper (27)	Upper Middle (41)	Lower Middle (22)
Motivators			
Challenge	4.00	3.68	3.68
Advancement	3.67	3.63	3.41
Use of Skills	4.00	3.61	3.54
Recognition	3.42	3.51	3.27
Freedom	4.00	3.39	3.32
AVERAGE	3.82	3.56	3.44
Hygiene			
Desirable Area	3.71	3.46	3.40
Earnings	3.71	3.48	3.13
Security	3.28	3.19	3.13
Physical Conditions	3.00	3.26	3.23
Benefits	3.28	2.29	2.95
AVERAGE	3.39	3.14	3.17
DIFFERENCES BETWEEN AVERAGES	.43	.42	.27

One tail T test

Table 9.42 shows that all three groups of expatriate managers score higher on Motivators than on Hygiene goals. However, there are no significant differences between the mean differences scores of the expatriate managers in the three hierarchical levels. Therefore, the hypothesis PH9 is not corroborated. This means that regardless of rank, expatriate managers put more emphasis on Motivators goals rather than on Hygiene goals.

PH10

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their having higher scores on 'company related goals' than on 'people related goals'.

Table 9.43 : Mean Scores of the Upper, Upper Middle and lower Middle Expatriate Managers on People Orientated Goals and Company Orientated Goals (N=70)

GOALS	LEVEL IN HIEPARCHY		
	Upper (7)	Upper Middle (41)	Lower Middle (22)
People Orientated			
Co-operation	3.57	3.56	3.31
Consultation	2.85	3.34	3.45
Help Others	3.00	3.14	3.31
AVERAGE	3.14	3.34	3.35
Company Orientated			
Contribution to Company	3.71	3.58	3.41
Efficient Department	3.33	3.56	3.45
Successful Company	3.14	3.19	2.86
AVERAGE	3.39	3.44	3.24
DIFFERENCE BETWEEN AVERAGES	.25	.10	.11

One tail T test

Table 9.43 shows that there are no significant differences between the scores of the expatriate managers in the upper, upper middle and lower middle levels of the hierarchy, on people orientated goals or on company orientated goals. Therefore, the hypothesis PH10 is not corroborated. It appears from the table, that the higher the position of the expatriate managers, the less they are interested in people orientated goals and the more they are interested in company orientated goals.

PH11

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their considering the leadership style of their immediate superiors as "autocratic".

Table 9.44: Frequencies of Responses of the Upper, Upper-Middle and Lower-Middle Expatriate Managers in Three Hierarchical Levels on the Perceived Leadership Style of their Direct Superior

PERCEIVED LEADERSHIP STYLE	LEVEL IN HIERARCHY		
	Upper (7)	Upper-Middle (38)	Lower-Middle (20)
1 Tells	14.3% (1)	19.5% (8)	18.2% (4)
2 Sells	0.0% (0)	29.3% (12)	13.6% (3)
3 Consults	42.9% (3)	36.6% (15)	45.5% (10)
4 Joins	42.9% (3)	7.3% (3)	13.6% (3)
Total	100%	100%	100%

Since there are empty cells in the group of upper level expatriate managers, this group was excluded. In addition, leadership style was condensed into two categories - "autocratic" and "consultative". This is presented in Table 9.44A.

Table 9.44A: Frequencies of Responses of the Expatriate Managers in Upper Middle and Lower Middle Levels on the Perceived Leadership Style of their Direct Superior

PERCEIVED LEADERSHIP STYLE	LEVEL IN HIERARCHY	
	Upper-Middle (38)	Lower-Middle (20)
1 Tells/Sells	52.6% (20)	35% (7)
2 Consults/Joins	47.4% (18)	65% (13)
Total	100%	100%

CHI SQUARE test

Table 9.44A shows that the expatriate managers in the upper level positions perceive their immediate superiors to be more democratic (52.6%) than the expatriates in the lower-middle positions (35%). However, the relationship between Level in Hierarchy and Leadership Style is not significant. Therefore, the hypothesis PH11 is not corroborated.

It appears from these results, that there is no relationship between Level in Hierarchy and the perception of the type of Leadership Style of the immediate superior.

PH12

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the lesser the likelihood of their stating that their subordinates are afraid to express disagreement with them.

Table 9.45: Mean Scores of the Upper, Upper-Middle and Lower-Middle Expatriate Managers on the Statement that Employees are Afraid to Disagree with their Managers

STATEMENT	LEVEL IN HIERARCHY		
	Upper (7)	Upper-Middle (38)	Lower-Middle (20)
Employees Afraid to Express Disagreement with their Managers	3.00	3.22	3.32

One tail T test

Table 9.45 shows that there are no significant differences between the scores of the three levels of expatriate managers on the statement that employees are afraid to disagree with their superiors. Therefore, the hypothesis PH12 is not corroborated.

It appears from the results, that the expatriate managers in the top level tend to identify employees to be afraid to disagree with their superiors less than managers of the lower ranks. However, this tendency is not significant, probably because of the small sample (7).

PH13

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the lesser the likelihood of their tolerating employees' right to break company rules.

Table 9.46: Mean Scores on the Tolerance of the Expatriate Managers in Upper, Upper-Middle and Lower-Middle Levels Towards the Right of Employees to Break Company Rules

STATEMENT	LEVEL IN HIERARCHY		
	Upper (7)	Upper-Middle (41)	Lower-Middle (22)
Company Rules Should Not Be Broken	2.57	3.14	3.09

One tail T test

Table 9.46 shows that the scores of the expatriate managers in the upper middle levels (3.14) and in the lower-middle positions (3.09) are lower than the scores of the expatriate managers in the upper level positions (2.57) on the statement that employees should not break company rules even if it is for the benefit of the company. However, the differences are not significant. Therefore the hypothesis PH13 is not corroborated. It appears that the expatriate managers in the upper levels are more tolerant towards the breaking of company rules by employees than the expatriate managers in the other levels. However, this tendency is not significant - probably because of the small sample (7).

PH14

Regardless of nationality, the higher the level of the expatriate managers in the hierarchy, the greater the likelihood of their stating a high level of tension in their work.

Table 9.47: Mean Scores of the Expatriate Managers in Upper, Upper-Middle and Lower-Middle Levels on their expressed Levels of Tension at Work

STATEMENT	LEVEL IN HIERARCHY		
	Upper (7)	Upper-Middle (41)	Lower-Middle (21)
Tension at Work	3.57	3.24	3.27

One tail T test

Table 9.47 shows that the expatriate managers in the upper levels perceive a lower level of tension in their work (3.57) than the expatriate managers in the upper middle levels (3.24) or in the lower middle levels (3.27). However, the differences are not significant and therefore the hypothesis PH14 is not corroborated.

It seems again that the small size of the sample of the expatriate managers in the top positions is the main reason for the non-significant difference.

4. INTEGRATION OF THE FINDINGS

Analysis of the findings reveals that each one of the three explanatory theories explained some of the four dimensions of behaviour, or their components.

This part analyses which one of the three theories: Socialisation, Role, Power or their interactions, is a better predictor of managers' attitudes. The analysis includes three independent variables:

1. Socialisation is defined by the nationality of the manager.
 - a) Israel
 - b) Holland
 - c) USA

2. Role is defined by the role of the manager:
 - a) Expatriate Manager
 - b) HQ Official

3. Power is defined by the rank of the managers which are grouped into three ranks:
 - a) Upper management- General Manager/ Deputy General Manager (Senior Vice President)
 - b) Upper middle management- Manager (Vice President)
 - c) Lower middle management- Assistant Manager (Second Vice President) and lower.

The analysis reveals the contribution of each of the three independent variables described above to the variance of the dependent variables- the four dimensions of culture and their components. The analysis includes all foreign managers studied (N=172).

A. Power Distance

One way analysis of variance of the three components of Power Distance is presented in Table 9.48 (on next page):

Table 9.48: Analysis of Variance of Power Distance as Explained by Socialisation, Role and Power

Dependent Variable	Independent Variables (F VALUE)									
	Main Effect	S	R	P	2 way Inter.	SR	SP	RP	3 way Inter.	Explained
DF	5	2	1	2	8	2	4	2	3	16
DESIRED LEADERSHIP STYLE	.95	1.60	.03	1.09	1.18	.17	1.42	.35	1.33	1.13
PRESENT LEADERSHIP STYLE	2.16*	1.60	8.37**	.87	2.20**	.48	2.72**	1.62	.35	1.85**
EMPLOYEES AFRAID	.94	1.02	3.05*	.62	.67	.93	.24	.92	.22	.67

* P < .1 S=Socialisation SR=Interaction Between S & R
 ** P < .05 R=Role SP=Interaction Between S & P
 *** P < .001 P=Power RP=Interaction Between R & P

Table 9.49: Analysis of Variance of Uncertainty Avoidance as Explained by Socialisation, Role and Power

Dependent Variable	Independent Variable (F VALUE)									
	Main Effect	S	R	P	2 way Inter.	SR	SP	RP	3 way Inter.	Explained
DF	5	2	1	2	8	2	4	2	3	16
RULES BREAKING	.81	.25	.11	1.36	.81	.79	1.02	.04	.46	.75
TENSION AT WORK	1.86	3.28**	1.4	.46	.62	1.16	.10	.54	.20	.93
NUMBER OF YEARS TO CONTINUE	4.13**	.88	8.62**	2.81	1.13	.38	1.80	1.03	1.65	2.17

Level of significant of p<.1 has been presented because it is believed that this result demonstrates an interesting finding which may lead to insightful conclusions.

Table 9.48 shows that of the three variables which combined the dimension of Power Distance, only one variable - that of present leadership style of direct superior- could be predicted by using the independent variables.

The role of the manager can best predict ($F = 8.37$; $p < .05$) managers scores on this variable. It also shows that the interaction between the role of the managers and their positions in the hierarchy can predict their attitudes towards the leadership style of their immediate superiors . The variance explained by the three independent variables is significant ($F = 1.85$; $p < .05$).

B. Uncertainty Avoidance

Analysis of the variance of the three components of Uncertainty Avoidance is presented in Table 9.49.

Table 9.49 shows that the perceived level of tension at work can best be predicted by the nationality of the manager ($F = 3.28$; $p < .05$). Further, the duration of employment in the bank can best be predicted by the role of the manager ($F = 8.62$; $p < .05$). However, the level of explanation of the variance of each one of the dependent variables by the three independent variables is not significant. Therefore, other variables which have not been tested here (such as age or education) might present a better explanation of these variables.

C. Individualism - Masculinity (Goals importance)

Analysis of the variance of the 14 goals which compound the dimensions of Individualism and Masculinity is presented in Table 9.50.

Table 9.50: Analysis of Variance of Goals Importance as Explained by Socialisation, Role and Power

Dependent Variable	Independent Variable (F VALUE)										
	Main Effect	S	R	P	2 way Inter.	SR	SP	RP	3 way Inter.	Explained	
DF	5	2	1	2	8	2	4	2	3	16	
CHALLENGING WORK	5.47**	1.79	14.04**	.40	1.06	3.16**	.37	1.05	.46	2.33**	
AREA OF LIVING	1.52	.28	5.61**	.33	1.27	2.74*	.47	.46	.04	1.12	
HIGH EARNING	2.58**	.09	9.0**	.89	1.14	2.44*	.46	.06	.28	1.43	
CO-OPERATION	5.10***	2.43*	10.33**	.57	.77	.87	.61	.97	.56	2.08**	
TRAINING OPPORTUNITY	2.30**	2.94*	1.64	1.69	1.84*	2.10	2.04*	3.95**	.73	1.78**	
FRINGE BENEFITS	.59	.69	2.29	.16	1.31	1.09	.62	2.94*	1.70	1.16	
RECOGNITION	3.08**	.02	12.63***	.51	1.51	4.50**	.58	1.19	1.95	2.08**	
WORKING CONDITIONS	.71	.86	.04	.83	1.15	.43	.95	.79	.09	.81	
FREEDOM	7.47***	4.45**	12.64***	.87	1.38	2.56*	1.17	.66	.35	3.10***	
SECURITY	.79	1.30	.33	.40	.89	1.67	.41	.87	2.06	1.08	
ADVANCEMENT	2.98**	1.91	4.79**	.27	1.35	2.58*	1.18	2.87*	.30	1.66*	
RELATIONSHIP WITH SUPERIOR	3.36**	.55	10.30**	.47	1.19	1.79	.98	2.89*	.31	1.70*	
USE OF SKILLS	5.96***	3.25**	9.18**	.71	.67	1.71	.38	.59	.50	2.29**	
PERSONAL TIME	.72	.32	.49	1.17	1.56	.74	1.15	.69	.91	1.17	

* p < .1
 ** p < .05
 *** p < .001

Table 9.50 shows that 6 out of 14 goal can be significantly explained by the three independent variables. They are: Challenging work (F = 2.33); Co-operation (F = 2.08); Training Opportunities (F = 1.78); Recognition (F = 2.08); Freedom (F = 3.10); and Use of Skills (F = 2.29). Analysis of variance for each one of the independent variables shows the following:

The role of the manager can best predict the following 9 goals; Challenging Work, Area of Living, High Earning, Co-operation, Recognition, Freedom, Advancement, Relationship with Superior and Use of Skills. Nationality of the manager can predict the two following goals: Freedom and Use of Skills.

Three more goals can be predicted by the interactions of two independent variables:

- a. Challenging Work can be predicted by the interaction of Nationality and Role.
- b. Recognition can be predicted by the interaction of Nationality and Role.
- c. Training Opportunity can be predicted by the interaction of Role and Power Position (level on the hierarchy).

The analysis shows that the manager's role is the best predictor of his/her attitude towards the organisation. The nationality of the manager and its interaction with the role of the manager can also explain and predict his/her attitude. The least predictive theory regarding the attitude of managers towards their organisations is the Theory of Power and its intervening variable - level in the hierarchy.

Further analysis of variance for expatriate managers (N = 72) was conducted in order to test which factor mostly influences their attitudes: their cultural personality (as presented by their nationality), or their reaction to a new culture (measured by their number of years in the host culture).

The analysis is presented in Tables 9.51, 9.52 and 9.53.

Table 9.51 : Analysis of Variance of Power Distance as Explained by Nationality and Number of Years in the Host Country

DEPENDENT VAR.	INDEPENDENT VAR. (F VALUE)				
	Main Effect	NAT	YHC	2 way Int	explain
DF	4	2	2	3	7
Desired Leadership Style	.14	.10	.19	.16	.14
Present Leadership Style	2.01	3.14**	.41	.29	1.28
Employees Afraid	.16	.27	.01	.77	.43

* p < .1 NAT= Nationality
 ** p < .05 YHC= Years in Host Country
 *** p < .001

Table 9.51 shows that the perception of the present leadership style of the immediate superior is best explained by the nationality of the expatriate manager (F=3.14; p<.05). No other variable can be explained by either the nationality of the expatriate managers or by the length of their service in the host country.

Table 9.52: Analysis of Variance of Uncertainty Avoidance as Explained by Nationality and Number of Years in the Host Country

DEPENDENT VAR.	INDEPENDENT VAR. (F VALUE)				
	Main Effect	NAT	YHC	2 way Int	explain
DF	4	2	2	3	7
Rules Breaking	.06	.04	.11	.74	.35
Nervousness	2.17*	2.72*	1.17	.47	1.44
Years to Continue	.28	.31	.21	.66	.44

* p < .1
 ** p < .05
 *** p < .001

Table 9.52 shows that the perceived level of tension at work of expatriate managers can best be predicted by their nationality. Alas, this level of prediction is not significant. The other two variables cannot be predicted by either of the two independent variables.

Table 9.53: Analysis of Variance of Goals Importance as Explained by Nationality and Number of Years in the Host Country

DEPENDENT VARIABLE	INDEPENDENT VARIABLE (F VALUE)				
	Main Eff.	NAT	YHC	2 way Int.	explain
GOALS					
DF	4	2	2	3	7
Challenging Work	5.41**	.27	7.88***	.58	3.34**
Area of Living	4.16**	.23	6.63	2.08	3.27**
High Earning	2.53**	1.37	3.98**	1.11	1.92*
Co-Operation	4.41**	.70	7.00	.80	2.86*
Training Opport.	2.00	.58	2.20	.35	1.29
Fringe Benefits	.95	1.26	.34	3.65**	2.11*
Recognition	1.75	.25	2.37	1.42	1.61
Working Conditions	.21	.21	.26	.66	.40
Freedom	4.87**	1.90	5.76**	1.05	3.22**
Security	.11	.02	.15	.97	.48
Advancement	3.42*	1.13	5.20*	.58	2.20*
Relationship with superior	3.59*	1.04	6.05*	.52	2.27*
Use of Skills	4.68*	1.13	5.78*	.66	2.96
Personal Time	1.33	.58	1.81	1.39	1.36

* p < .1
 ** p < .05
 *** p < .001

Table 9.53 shows that the importance of goals can best be predicted by the length of service of the expatriate managers in the host country and not by their nationalities. Six (out of 14) goals importance can be explained by the length of service of the expatriate managers in the host country. They are; Challenging Work (F=7.88); High Earning

(F=3.98); Freedom (F=5.76); Advancement (F=5.20); Relationship with Superior (F=6.05); and Use of Skills (F=5.78). However, one goal can also be explained by the interaction of the nationality of the expatriate managers and their length of service in the host country. This is the goal of Fringe Benefits (F=3.65).

SUMMARY

In this chapter the predictive power of each of the three explanatory theories regarding the behaviour of expatriate managers were tested. It was done as follows:

First, the predictive power of the Socialisation Theory was tested within the framework of two sub-theories : Socialisation in the parent country as a process of an early age programming, and Socialisation in the host country as a process of re-learning.

Second, the predictive power of the Role Theory was tested. The roles analysed were: HQ officials, expatriate managers and host country managers.

Third, the predictive power of the Theory of Power was tested. The level of power was analysed through the rank of the managers in the organisational hierarchy.

Fourth, an integration of the three theories tested their comparative contribution to the variance of the dependent variable- behaviour of expatriate managers.

The three theories were found to be valuable in predicting expatriate managers' behaviour in the host country. However, the level of prediction varied. The role of the manager was the best predictor of the behaviour of expatriate managers. Socialisation in the host country (when measured as the number of years in the host country) had almost the same predictive power as the role. Nationality could predicted to some extent the behaviour of expatriate managers on the four dimensions of culture proposed by Hofstede. The variable which could least predict behaviour of expatriate managers was the rank of the managers in the hierarchy. This variable represented the Theory of Power. Discussion of the findings and conclusions are presented in the following chapter.

Chapter 10: DISCUSSION AND CONCLUSIONS

This thesis made use of three general theories to describe, explain and predict changes in behaviour of expatriate managers on international assignment, namely: Socialisation, Role and Power.

Each one of the theories was found to be a valuable tool when describing and explaining various aspects of expatriate managers' behaviour.

However, their ability to predict differed. In the following pages, the three theories will be discussed and the findings concluded.

Socialisation Theory

Two complimentary parts of the Socialisation Theory were used here. One dealt with culture as a personality trait and suggested that basic human values are programmed at an early age. Therefore, managers tend to maintain their basic values even in a new environment. The second dealt with reaction to culture and suggested that socialisation is a process of learning over time. Therefore, the longer the managers are exposed to a new social environment the more they absorb its norms. The two parts of the Socialisation Theory are presented below:

A. Parent Country Socialisation

In order to test the first hypothesis - that of early age programming - scores of managers of four nationalities were compared with Hofstede (1980) national scores.

First, the scores of all managers (expatriate managers, HQ officials and host country managers) from the same nationality were calculated on all four dimensions of culture and compared with Hofstede's national scores.

Second, the scores of the American, Dutch, Israeli and British HQ officials were calculated on the four dimensions of culture and compared with Hofstede's national scores.

Third, the scores of the American, Dutch and Israeli expatriate managers were calculated on the four dimensions of culture and compared with Hofstede's national scores.

The findings show that in 25 tests (out of 44), the scores of the four different nationalities corresponded with the scores of Hofstede. This rate of similarities of 57% could not be regarded as coincidental. When the sample included all managers (n=256) there were 9 (out of 16) matched scores (56% of the cases) between this study and Hofstede's study. When HQ officials were studied (n=85), there were 8 (out of 16) matched scores (50% of the cases). When expatriate managers were studied (n=72), there were 8 (out of 12) matched scores (67% of the cases). Thus, neither the size of the sample, nor the type of managers sampled affected the level of significance of the results.

The conclusions from these findings are that, since the scores of the four nationalities on the four dimensions of culture are similar to Hofstede's scores in more than 50% of the cases, it is quite likely that they are steady over time. This findings support Hofstede's claim that the national dimensions of culture are programmed at an early age and are therefore steady. Only a severe change in the parent country environment, like a conquest or a major scientific discovery, or alternatively deportation, would change managerial behaviour.

However, at least part of the components which make up Hofstede's dimensions represent changeable manager attitudes rather than general national values.

Values which have traditionally been used as a tool to discriminate between cultures (Kluckhohn & Strudtbeck 1961) are:

1. Human nature: good, mixed, evil
2. Relationship of man to nature: mastery, harmony, subjection
3. Time orientation: past, present, future
4. Orientation towards activity: being, being in becoming, doing
5. Types of relations between people: individual, team-work, hierarchical

Redding and Martyn Johns (1979) proposed the following five major categories to represent a metaparadigm of a culture:

1. Casuality - causes and effects relationship
2. Probability - ability to predict future events
3. Time - past, present and future
4. Self - perception of one-self and of relationship with others
5. Morality - sharing moral beliefs and conformity

Lee & Larwood (1983) used the following dimensions in their comparison between Korean and American cultures:

1. Non-materialism versus materialism
2. Security versus achievement needs
3. Harmony versus competitiveness
4. Reflective versus active modes of behaviour
5. Subjective versus objective relationship orientation

These five dimensions look at culture in a similar way to that of Kluckhohn & Strudtbeck (1961) and Redding and Martyn Johns (1979). They have chosen general values of people as being representative of cultural values.

Lee and Larwood (1983) found that American managers in Korea scored very similarly to American managers in the United States and differently from Korean managers in Korea. It proves that the factor which was measured was general values, something that might be programmed in the human mind, and therefore, is steady over time.

Hofstede chose to measure operational variables as follows:

1. The perception of an organisational situation in which employees are afraid to express disagreement with their managers. This variable fits categories no. 5 in all three classifications.

2. The preference for a certain leadership style of the immediate superior. This variable corresponds again with categories no. 5.
3. The Perception of the present leadership style of the immediate superior. This variable does not fit any of the classifications.
4. An attitude which is expressed by the tolerance of the manager towards the phenomenon of breaking company rules by employees. This variable fits to some extent categories no. 4 in all three classifications.
5. An intention to continue to work for the same company during a certain time. This variable represent, to some extent, categories no. 3 in the two first classifications.
6. A feeling of tension at work. This variable does not represent any of the categories in the three classifications.
7. Goal importance. This variable fits category no. 2 in Lee and Larwood's classifications.

The comparison between Hofstede's measures and the measures of the other three classifications demonstrates the problematic nature of Hofstede's measures. It looks as if some of these measures can operationally demonstrate some cultural values of societies. However, they represent only a limited range of general culture values. In addition, some of Hofstede's dimensions seem to be measured by the reaction of people to their immediate environment rather than to their general environment. Hence, it appears that while early age programming might exist, the four dimensions of culture proposed by Hofstede are not sufficiently consolidated to measure it.

It was not the aim of this study to test the three conceptual frameworks of culture presented earlier. Therefore, no conclusions could be drawn up from the present findings as to the validity of these frameworks.

To sum up: the theory of early age programming was partially corroborated, i.e. The "four dimensions of culture" may represent nationalities within the geographical boundaries of their countries, and to some extent, even expatriate managers in foreign countries. However, it seems that Hofstede's "four dimensions of culture", or some of the elements which compound these dimensions, are changeable upon the crossing of national boundaries.

Hofstede argued that national values can change upon conquest, deportation, trade and scientific discovery. The present study indicates that these "values" can also change upon the taking up of the role of expatriate manager. This issue is elaborated later on.

B. Host Country Socialisation

According to the theory of Socialisation in the host country, expatriate managers were expected to adjust their reactions to their new social environment to accord with the norms of the host country. Therefore, their scores on the four dimensions of culture were expected to fall in-between the scores of the HQ officials and the scores of the host country managers.

On the Power Distance dimension, this hypothesis was corroborated for the Dutch expatriate managers. However, the scores of the American and the Israeli expatriate managers did not follow suit.

On the Uncertainty Avoidance dimension, the scores of the American and the Dutch were as predicted. However, the scores of the Israeli expatriate managers did not follow the hypothesis.

On the Individualism dimension, the scores of the Dutch and the Israeli expatriate managers were as predicted. However, the scores of the Americans did not correspond with Hofstede's national scores.

On the Masculinity dimension none of the scores of the three nationalities matched the prediction.

These results lead to the conclusion that expatriate managers in the host country do not decrease the gap between their patterns of managerial behaviour (which are based on the norms of the parent country) and the patterns of managerial behaviour prevalent in the host country.

The following analysis substantiates this argument. In order to test the theory of Socialisation of expatriate managers in the host country, which argues that there is a process of learning of the host country's social norms, the managerial behaviour of the expatriate managers was measured twice: with a group of expatriate managers who stayed in the host country up to two years, and with a group of expatriate managers who stayed in the host country more than two years. The question was whether the score of the latter is closer to the British managers' score than to the score of the former.

The results are summarised as follows:

On the Power Distance dimension, the scores of the American and the Israeli expatriate managers moved closer to the scores of the British managers. The scores of the Dutch expatriate managers moved in the opposite direction.

On the Uncertainty Avoidance dimension, the scores of the American expatriate managers moved closer to the scores of the British Managers. The scores of the Dutch and the Israeli expatriate managers moved in the opposite direction.

On the Individualism dimension, the scores of the Israeli expatriate managers moved closer to the scores of the British Managers. Those of the American and the Dutch expatriate managers moved in the opposite direction .

On the Masculinity dimension, the scores of the Israeli expatriate managers moved closer to the scores of the British managers. The scores of the Dutch expatriate managers on some of the goals which compound the dimension of Masculinity, moved toward the goal priorities of the British managers, but on other goals they moved in the opposite direction. The scores of the American expatriate managers moved in the opposite direction to the scores of the British managers.

Further analysis of the different components of the four dimensions has been conducted in order to measure the change in attitudes of the expatriate managers over time. The following characteristics were analysed:

- a) Goal priorities.
- b) Preferred leadership style of immediate superior.
- c) Level of agreement with the statement that employees are afraid to disagree with their immediate superior.
- d) Level of tolerance towards employees' right to break company rules.
- e) Level of tension at work.

No shift over time of the attitudes of the expatriate managers was found regarding any of these five characteristics.

Hence, the theory which suggested that expatriate managers learn and adopt the national norms of the host country, and the longer the time the expatriate managers stay in the host country, the more they change their managerial behaviour to fit the norms of the host culture, has not been corroborated.

It is proposed that the following change of behaviour happens in the host country (GB):

Two sets of values, norms and behaviour clash in the host culture. As time goes on, one set, that of the parent country, is extinguished and the other set, that of the host country, is reinforced. This process happens in three stages:

The first and quickest stage is change in behaviour. Expatriates change their appearance, means of transportation, driving habits and working hours immediately. The next stage is a change in attitudes. It may include change in attitudes towards the host country customers, the host country colleagues and subordinates, the parent company and the subsidiary. The last stage which might happen after years in the host country, or might not happen at all, is a change in values.

The stage which was studied here is that of attitudes and not of values (Hunt 1981). Although Hofstede called the components of his dimension values, they are really attitudes towards the task and immediate environments.

For example, the intention to continue to work for an organisation up to five years, or more than five years, is an intention which could be classified as an attitude but not as a value. The importance of the physical conditions at the work place is a priority which could be presented as an attitude towards the work place but certainly not as a value (England 1967; Rokeach 1973)

It is believed that a strong environmental force is needed in order to introduce change in values (Hofstede 1980; p. 27). A similar change could be achieved by a long voluntary exposure to a new set of values (Festinger 1957). However, changes detected among expatriate managers in the present study are hardly changes of values. They are more likely to be changes of attitudes.

These conclusions strengthen the argument that the socialisation of expatriate managers in the host country is not only orientated towards cultural characteristics of the host country but probably also towards the characteristics of the role of the expatriate manager. This subject is presented below.

Role Theory

"The Role Theory is similar to operant conditioning in its emphasis on the consequences of behaviour - behaviour in role, behaviour that is expected is reinforced in a number of ways; behaviour out of role is typically punished or ignored" (Pfeffer 1982, p. 98).

In many ways the Role Theory is similar to the socialisation theory. Both theories suggest that human behaviour is dictated to a great extent by its immediate social environment. Both theories are interested in the control of individual's behaviour (Pfeffer 1982, ch. 3) and both theories predict that providing we know the stimulus/expectations coming from the social environment/role set, we can predict the behaviour of the individual/focal person (Pfeffer 1982; p. 101).

Therefore, despite the fact that different intervening variables were used to represent the Socialisation Theory as reaction to culture (number of years in the host country) and the Role Theory (Role of the manager: expatriate manager vs. HQ official), the ability of each one of the theories to predict attitudes of expatriate managers was found to be similar.

However, while the Socialisation Theory in the context of culture is traditionally concerned with the study of adaptation to a new general environment (Torbiorn 1982), the Role Theory analyses the adaptation to new role sets, of which the most important ones are those based in the task and the immediate environments.

The Role Theory suggests that expatriate managers have different role sets from HQ officials and from local British managers. They have a dual (and sometimes multiple) role set which are not characteristics of HQ officials or host country managers. These different types of role sets present expatriate managers with more role conflict and ambiguity than that faced by HQ officials and local managers. As a result, they are expected to change their pattern of managerial behaviour in order to respond to, and to influence this conflict and ambiguity.

The first hypothesis suggests that newly appointed expatriate managers face: a) a new role set; b) unfamiliar role sets; and c) ambiguous expectations. Therefore, their first task in the new role is to acquaint themselves with their new role sets; to identify their new role senders; to rank their importance; and to learn to recode role senders' messages in order to understand their expectations.

In order to achieve these tasks, expatriate managers are expected to decrease the power distance between themselves and their subordinates; to take more risks (uncertainty); to be less individualistic; and to reduce their level of masculinity. Therefore, it was expected that expatriate managers would score lower on Power Distance, Uncertainty Avoidance, Individualism and Masculinity than HQ officials. The hypothesis was fully corroborated for Power Distance, Uncertainty Avoidance and Masculinity and for four components of the dimension of Individualism. However, it was not corroborated for the other five components of this dimension and not for the dimension as a whole.

The Role Theory was also used to predict some other characteristics of expatriate managers' behaviour as follows:-

1. HQ officials assess expatriate managers on their financial results rather than on their ability to generate the satisfaction of the subordinates (Zeira, Harari and Izraeli-Nundi 1975). Therefore, it was predicted that expatriate managers would put more emphasis on job related goals than on socially related goals. The hypothesis was corroborated.
2. In general, managers worldwide prefer their superiors to demonstrate a consultative style of management (Tannenbaum 1980). Therefore, expatriate managers and HQ officials would prefer the same consultative leadership style in their immediate superior. The hypothesis was corroborated.

3. Expatriate managers are more exposed to conflicting demands in their jobs than HQ officials. Inability to cope with these demands results in dissatisfaction and criticism of the direct superior. Therefore, it was predicted that expatriate managers would be more critical of the leadership style of their immediate superior than HQ officials. It was found (see Tables 9.23A, 9.23B) that 53% of the expatriate managers tend to criticise their superiors- 15% criticised their superiors for being too "democratic" and 38% for being too autocratic. HQ officials also tend to criticise their superiors: 7% criticised their superiors for being too "democratic" and 60% for being too autocratic.

The difference between the two groups of managers was significant, i.e. expatriate managers, more than HQ officials, criticised their immediate superiors for being too "democratic". However, both HQ officials and expatriate managers criticised their superiors for having the "wrong" leadership style. Therefore the hypothesis was not corroborated.

4. Role Theory does not suggest that there is a difference between HQ officials and expatriate managers with regard to their attitudes toward company rules. Therefore, it was predicted that expatriate managers would score similarly to HQ officials on the statement that "Company rules should not be broken". The hypothesis was corroborated.
5. Role Theory does not suggest that there is a difference between HQ officials and expatriate managers in their attitudes towards the level of fear in the organisation. Therefore, it was predicted that expatriate managers would score similarly to HQ officials on the statement that "Employees are afraid to disagree with their manager" . The hypothesis was corroborated.

6. Expatriate managers are being exposed to bi-cultural environments which cause them to face more conflicts and ambiguities than HQ officials. Therefore, it was predicted that expatriate managers would tend to express a higher level of tension in their jobs than HQ officials. No such difference was found, and therefore the hypothesis was not corroborated.
7. Expatriate managers have less clarity in their jobs during the first year of their assignment in the subsidiary than they have in later years (Torbiorn 1982). Therefore, it was predicted that expatriate managers in their first year in London would suffer a higher level of tension in their jobs than expatriate managers after two years and more. This hypothesis was not corroborated.

It appears from the results that even if expatriate managers are exposed to a higher level of tension at work than the HQ officials, or that there is a higher level of tension during the first year in the host country, this high tension has not been verbally expressed by expatriate managers. This finding may indicate that the perceived tension is a variable which depends more on the experience of the managers in the parent country (nationality), than on the managers' role.

In addition, the role of the manager was found to be the best predictor of the managers' scores on the importance of their goals. It successfully predicted 9 (out of 14) scores. It is not clear whether the fact that managers are assigned to international jobs makes them change their goal priorities, or whether managers with different goal priorities are those who seek and get international jobs. It appears from Pascale's (1978) findings regarding Japanese and American managers in Japanese ventures in the USA, that the characteristics of the role of the managers and their immediate environments are the factors that influence their behaviour, more than any personality traits. Although Pascale studied host country nationals in foreign ventures, and not expatriate managers, this conclusion may be applied here. There is no reason to believe that expatriate managers have different personality traits from those of host country managers which push them to join international ventures. However, it is obvious that these two groups of managers have different roles. The role behaviour of expatriate managers is compared to the role behaviour of HQ officials and is elaborated below.

Role Behaviour of Expatriate Managers

In addition to the characteristics of the role of the expatriate managers which have already been explored, the role of the expatriate manager differs from the role of a regular manager . The additional aspects are:-

1. Expatriate managers' period of assignment (an average of 2-5 years) is defined in a contract (Edstrom & Galbraith 1977; p. 16). This is different from the appointments of HQ officials and host country managers which are not limited in a defined timetable and which are not anchored in a special contract.
2. Expatriate managers usually enjoy lucrative foreign benefits and sometimes even higher basic salaries than HQ officials and host country managers in similar positions. The main reasons are:-
 - a. They have special expenses incurred as a result of the transfer.
 - b. They sometimes lose sources of income in the parent country (like wife's wages).
 - c. They sometimes need incentives to motivate them to agree to the international transfer (Edstrom & Galbraith 1977; p. 17).
3. The international move always involves a change of place of living, while the organisational rotation of HQ officials or of host country managers rarely involves such a geographical move.
4. In most cases, expatriate managers do not know about their next position in HQ in the parent country until the very end of their international assignment. The geographical distance from HQ brings about an "Exile Complex" (Robock and Simmonds 1973). Therefore, while HQ officials and host country managers may feel that they have some control over their promotion, expatriate managers feel that they have only a very limited ability to influence their own promotion.

5. In some cases, expatriate managers are not intended to be repatriated at all. Their whole career is international and they are being rotated from country to country (Zeira 1976). This phenomenon could not be applied to HQ officials and host country managers.
6. Expatriate managers who are on the fifth-tenth rung at HQ are appointed to top positions in the subsidiary. This situation is reversed upon repatriation. The process of a fast upgrading in the hierarchy which is followed by a reverse downgrading process, cannot be applied to HQ officials and host country managers.

From this description, it seems that the expatriate managers' job is a contractual one. This type of job has a special life cycle (Brein & David 1971; Purcer Smith 1971; Torbiorn 1982). The cycle is described as follows (see Table 9.12):

1. The Selection - A manager at HQ is selected to fill a specific opening in a certain host country. The selection of the individual manager is an important recognition. He/she has been chosen and preferred to many other candidates. The process of the selection and the final act of appointment build up expectations for a planned international career with challenge, advancement and freedom in the new job. The main role senders are: The HQ officials and the family.
2. The move - The manager (usually accompanied by his/her family) has to physically move. At this stage, things that were not important earlier become important. For example, the area of living in the host country. Most managers prefer to live close to other expatriate managers and other people of the same nationality. The place of living must enable the managers to commute to and from the place of work. The place must be close to the childrens' schools (sometimes in the language of the parent country).

The fringe benefits which are part of the expatriate manager's financial package have not yet been tested "under fire". Since the manager has yet to change his/her habits of expenditure, the new package looks promising. The main role senders at this stage are: the family and the expatriate manager.

3. The new job starts - Expatriate managers come with expectations of doing important work. They hope to leave their marks on the organisation. The expatriate manager who was a small fish in a big pond becomes a big fish in a small pond. The expatriate builds up new psychological contracts with his/her new boss, colleagues and subordinates. Challenge, freedom and recognition appear to be important and objectives like job security and physical conditions lose their importance. The main role senders at this stage are: The direct superior, the colleagues and the local subordinates.

4. Functioning in the new job - The time passes, the expatriate managers learn the problems involved in the new job and get used to them. On one hand they realise that they will not be able to implement all their grand plans, and on the other, they get used to the high social and economic status. Their work becomes routine and behaviour of role senders predictable. The main role senders are: the direct superior, the customers and the local subordinates.

5. Repatriation - The expatriate managers plan their return. They usually do not know about the nature of the new job at HQ until they arrive there and sometimes even later (Howard 1974; Torbiorn 1982; p. 41). They make efforts to influence their bosses at HQ to reserve a certain job for them. The goal of job security becomes vital. The new role senders are: the HQ officials and the expatriate's family. The cycle is closed.

A comparison between the life-cycle of the role of the expatriate managers and the findings regarding the socialisation of expatriate managers in the host country, might give some clues as to the nature of the adaptation of expatriate managers to their roles.

The goal priorities of expatriate managers (Table 9.12) is similar to those of British managers in the same banks during the first two years. The order of the goal priorities is changed over time. For example 'challenge' is scored as the most important goal in the first two years by the American, Dutch and Israeli expatriates and by the British managers.

After three years and more, this objective is pushed into the fifth place by the American and the Dutch expatriate (not by the Israelis).

'Relations with direct superior' that is rated 5 by Americans in their first two years, becomes more important (second priority) after three years and more. 'Desirable area of living' is pushed by the Americans from the second place to the ninth place after three years in the UK. 'Security' which is not important in the beginning becomes more important in later stages.

It appears that the goal priorities change as the career cycle of the expatriate managers changes. When they first take their new roles they are more concerned with the challenge of the job than with its security. After three years, the job becomes routine. When there is a routine, the skills cannot be fully used. The challenge disappears and the ability to use ones own skills becomes most important. The area of living which was very important on arrival is pushed into the background after some years in the host country. Managers have learned to commute, the children are attending schools, and what looked important two years ago is not important any more.

At the same time, security and physical conditions that were not important at the beginning become more important to the expatriate managers whose jobs are perceived as being secure in the first year but not so later.

After 3-4 years in the host country, the expatriate managers plan their repatriation. The direct superior's assessment looks vital. When they realise that no secure job is waiting for them at HQ in the parent country, they then start to worry about their security which becomes an important goal.

To summarise, it seems that the various aspects of the role of the expatriate managers which are embedded in their task and immediate environments, can help in predicting their behaviour in the host country. This post factum explanation must be empirically tested in order to be validated.

While the Socialisation and Role theories were found to predict the behaviour of expatriate managers, the predictive ability of the Theory of Power was found to be less significant. This phenomenon is described in the following section.

Theory of Power

The Theory of Power assumes that managers are motivated by needs fulfilment. One of the major needs of managers is the will to manage or the need for power. The higher the rank of the manager, the greater the need. Hence, it was predicted that managers on international transfer tend to change their managerial behaviour and to use a more autocratic leadership style than they were exercising in the parent countries. The hypothesis was based on the assumption that expatriate managers are willing to be transferred abroad in order to occupy higher positions than they had in the parent countries. In other words, the international assignment is part of their progression on the hierarchical ladder of the multinational corporation.

When the theory was tested for all managers (HQ officials, expatriate managers and host country managers), the hypotheses regarding Power Distance and Uncertainty Avoidance were corroborated: The higher the rank of the managers on the hierarchical ladder, the higher their score on Power Distance. In addition, the higher the rank of the managers on the hierarchical ladder, the lower their score on Uncertainty Avoidance; ie they are willing to take more risk. On the two other dimensions - those of Individualism and Masculinity - no differences were found between scores of managers of different ranks.

When the theory was tested only for the expatriate managers, the picture changed. On Power Distance, the expatriate managers in the upper levels of the hierarchy scored lower than the expatriate managers in the middle positions, and lower than the expatriate managers in the lower positions.

On Uncertainty Avoidance, the expatriates in the upper levels scored higher than those in the middle levels. The latter scored similarly to the expatriates in lower positions.

The same results were received when the theory was tested for Individualism and Masculinity.

The Theory of Power was also used to predict:-

- a) Managers' level of endorsement of motivators versus hygiene goals
- b) Managers' level of endorsement of people orientated goals versus company orientated goals
- c) Managers' perceptions of the leadership style of their immediate superior
- d) Managers' agreement with the statement that employees are afraid to disagree with their immediate superiors
- e) Managers' tolerance towards employees' right to break company rules
- f) Managers' level of tension at work

The Theory of Power did not predict any of the six characteristics of the behaviour of all managers studied. When differences between scores on the same six characteristics of behaviour were tested for expatriate managers in three different hierarchical levels, almost the same results occurred. The only item on which upper level expatriates scored significantly higher than middle level expatriates was item c - that of perceived leadership style of the immediate superior. The variation is discussed later.

Therefore, it was concluded that the Theory of Power might be useful in the predictions of behaviour of managers in general, but because of our limited knowledge of expatriate manager's behaviour, this theory is currently not specific enough to predict behaviour of expatriate managers. However, it must be mentioned here that only seven expatriate managers represented the upper level group (General Managers and Deputy General Managers) and therefore the sample could be criticised for being too small.

Despite the prediction of the Theory of Power that expatriate managers tend to adopt an autocratic leadership style, no substantive evidence to validate this prediction was found here. Expatriate managers did not present more, but less Power Distance than HQ officials. Most of them tended to criticise their immediate superiors (most of whom are expatriate managers themselves) of being too autocratic.

However, some expatriate managers criticised their immediate superiors of being too "democratic", i.e. the superiors delegated decisions that should have been made by themselves to their subordinates or did not make decisions as required.

Four possible explanations of these findings are proposed here:-

1. Expatriate managers do not change their leadership style. However, they do change their expectations. They change from being "a small fish in a big pond" to "a big fish in a small pond". They believe that as a result, they can expect more authority and a central role in the decision making process in the organisation. In fact, they increase their social and economic status but not much is changed in their task. They gave loans to parent country customers in the parent country, and they continue to give loans mostly to parent country customers and British customers in Britain. Hence, the difference between their expectations and reality is increased and they feel that they are not being sufficiently involved in the process of decision making. Therefore, they criticised their superior for using the "wrong" leadership style.

2. Another possible explanation is that expatriate managers actually decrease their level of Power Distance. They are pragmatic and they want to solve the day-to-day problems. Since they are foreigners in the host country, they realised that they can get valuable information from their local subordinates. In order to get their help, the expatriate managers decrease the power distance between themselves and their subordinates. No such need exists at HQ and therefore, HQ officials are exercising more authority.

In this context, more light should be focused on the interpretation of Alpaender (1973) findings. His main finding was that expatriate managers become more autocratic upon international transfer. Not much is told about the countries to which these expatriate managers were assigned. However, from the results of his study, it could be seen that 35 out of the 75 American managers studied were assigned to European countries.

Another five were appointed to Australia. The remaining 35 managers were appointed to developing countries in South America, Middle East, Africa and South East Asia.

It is proposed that the change towards an authoritarian style of management took place by managers who were transferred to the developing countries and not by managers who were transferred to Europe. A sub-division of the two groups of managers which might have confirmed this thesis is not available. However, from the findings of the present study, it is clear that the American managers who were transferred by their banks to London did not become more autocratic in their leadership style.

3. One of the assumptions of applying Theory of Power to expatriate managers was that the international assignment gives expatriate managers more power than they had at HQ. While this claim might be true in some other industries, it was found to be misleading for the banking industry. It was found during the interviews and the observation stages, that for many expatriates, the international assignment is a temporary downgrading on the hierarchical ladder.

The international banks studied have a centralised decision making process. Important decisions are made at HQ and the degree of freedom of the managers in the subsidiaries is limited. Therefore, although expatriate managers do not change their attitudes towards Power Distance, in actual terms, they have less power to delegate. As a result, second rank managers who are used to participating in the decision making process at HQ are not treated in the same way in the subsidiaries. Therefore, they perceive their managers as autocratic.

The managers who really valued their power positions preferred to stay at HQ and refused to take on international assignment. They said in the interviews that the international transfer might cut their face to face interactions with the top management at HQ and decrease their chances for organisational recognition and promotion. The tight control of HQ over the subsidiary makes the recognition of personal success difficult.

If the subsidiary is successful, the International Division at HQ enjoys the benefits. If it fails, it is the expatriate manager's fault. In the American banks which operate on a matrix structure, the situation is even more complicated. Each manager has three or even four direct superiors and every superior assesses the performance of the manager according to different criteria. Hence, it is almost impossible to satisfy all the direct superiors. This phenomenon is reflected in the tendency of expatriate managers to delay or to avoid decisions. This type of behaviour was criticised by the managers' subordinates who stated that expatriate managers do not make decisions (see Table 9.23B)

Because expatriate managers are remote from the centre of decision making, they are very limited in their ability to influence the interpretation of the subsidiary achievement. As one of the managers put it "I know that I cannot influence HQ while I am here, so I am applying all my commercial experience and knowledge to concentrate on the part of my environment that I can influence and these are my customers here. When I shall finish my tour of duty, I shall try to rebuild my contacts at HQ. If it will not work, I shall use my contacts with my customers to find myself another job".

4. The Theory of Power is presented here at the micro level of national action (Pfeffer 1982; Ch. 2) and focuses on the individual's need for power. The theory differentiated between power, influence and authority, and predicted that expatriate managers would tend to increase their usage of power. The findings denied this hypothesis. Alternatively, it could be argued that expatriate managers tend to increase the usage of their formal authority in the host country, reducing the use of influence.

In order to exercise influence (or informal power), there is a need to talk to the people in "their own language". Since expatriate managers, even those who have a good command of the host country language, have a limited ability to use their influence, they tend to adhere to the bureaucratic-legal power which is available to them and to enforce their decisions in a formal way.

For example, Israeli managers in London have formal power:

- a. because they are positioned in the higher levels of the organisational structure
- b. because they have access to HQ communication systems and to information
- c. because they enjoy a higher level of trust from HQ officials than do local managers.

At the same time, Israeli managers do not enjoy expert power because they do not know more about banking in London than the local managers. They do not enjoy charismatic power because they are not thoroughly familiar with the British norms and attitudes; they do not understand the non-verbal language (Hall 1959; 1960); and they cannot present outstanding qualities. This position, of enjoying mainly formal-legal power, leads Israeli managers, like other expatriate managers, to use the base of power which is available to them and is within the span of the accepted in the host country, and they tend to adopt an autocratic leadership style (Alpander 1973).

As was disclosed in the study, these managers are highly educated (see Appendix Table A.5) and most of them probably know that an autocratic leadership style is not desired in Western Society (Tannenbaum 1980) and therefore, they give this style of management low scores. Hence, their autocratic leadership style was not disclosed as a direct finding. Indirectly, it was found that expatriate managers criticised their immediate supervisors (who are mostly expatriates themselves) as being too autocratic. Only a few of them criticised their superiors as being too democratic ie, leaving important decisions to their subordinates. In the case that a decision is found to be wrong, the supervisors may blame their subordinates. Should a decision be right, the supervisors take the credit.

The avoidance of decision making was particularly found to be true in American banks. In these banks, which apply a matrix structure (Davis 1977), too many people are involved in the same decision. Therefore, managers tend to avoid taking the responsibility unless they have no choice. This type of behaviour fits Pfeffer's (1981) question: "When confronted with decision processes which are somewhat less predictable and more troublesome, and are predicted on power and political skills rather than on facts and rationality, will organisational members be likely to prefer and support the imposition and development of centralised decision making and control systems that restore the appearance of rationality, if not its substance?" (p. 88)

To summarise, the manager's role was found to shed the more light on their attitudes than any of the other theories. The manager's socialisation in the parent country (when defined as Nationality) could explain Power Distance and Uncertainty Avoidance of managers in general and expatriate managers in particular. Socialisation, when considered as a reaction to a new culture and measured through the number of years in the host country, could explain Individualism and Masculinity as measured through the goals importance of expatriate managers. Socialisation does not explain the elements of behaviour which were used to measure Power Distance and Uncertainty Avoidance. This part of the Socialisation Theory is similar to the Role Theory, because it deals with the reaction to the environment. Therefore, the Role Theory was found to be valuable in the explanation of the same goals importance.

The theory of Power, when measured through the variable of rank in the hierarchy, could not identify differences between the groups of managers studied here. Thus, it could be argued that behavioural change in expatriate managers is more a change in reaction to the new (immediate, task and general) environment and less a change in basic values. Therefore, if comprehensive information were available on the factors which combine the old (parent country) environment and the factors which construct the new (host country) culture, we would be able to predict a change in behaviour in expatriate managers. This subject is presented below as the integration of the findings.

Integration of the Three Explanatory Theories

A framework is suggested here in order to put the information acquired in the present study into an explanatory and predictive order by using the conceptual framework of systems and contingencies.

"Organisations are subsystems of a broader supra-system - the environment. They have identifiable but permeable boundaries that separate them from their environment. They receive input across these boundaries, transform them and return outputs. As society becomes more and more complex and dynamic, organisations need to devote increasing attention to environmental forces" (Kast & Rosenzweig 1979; p. 125).

In applying systems and contingency concepts to the study of organisations and their management, it is essential to start with the environmental supra-system rather than with any internal sub-system. In this study the Power Theory deals with personalities of individuals and with the power sub-system of organisations; the Socialisation Theory deals with the learning of the norms of collectives and of sub-systems of organisations; and the Role Theory deals with the role of managers within the organisational systems. Only a little indirect attention has been paid to the suprasystems in which the organisational systems are active. However, "The first step should always be to go to the next higher level of system organisation, to study the dependence of the system in question upon the supra-system of which it is a part, for the supra-system sets the limits of variance of behaviour of the dependent system" (Katz & Kahn 1978; p. 63).

This approach of studying organisations was adopted by some schools of organisational behaviour (Hall 1972; Pugh 1976; Pugh and Hickson 1976; Pugh and Hinings 1976; Starbuck 1976; Pugh and Payne 1977).

The environment of the organisation could be split into two:- 1) The societal (general) environment which affects all organisations in a given society and, 2) the task (specific) environment, which affects the individual organisation more directly (Dill 1958; Thorelli 1967; Hall 1972; Osborn & Hunt 1974).

A number of classification schemes have been suggested for environmental characteristics that affect all organisations (Farmer & Fishman 1970; Negandhi 1970; Weinshall 1977; Katz & Kahn 1978). Katz & Kahn (1978) suggested five environmental sectors, or functional relationships between organisations and their environments. They are:-

1. Societal values: Cultural legitimisation
2. Political structure or patterns of legal norms and statutes
3. Economic environment of competitive markets and competitive sources of input of labour and materials
4. Informational and technological environment
5. Natural or physical environment of geography, natural resources and climate (p. 124).

The individual organisation may not be directly influenced by, or respond to all of the environmental sectors. The more specific forces which are relevant to the decision making and transformation process of the individual organisation are defined as the task environment (Dill 1958).

Duncan (1972) classified the task environment into five major components: 1) Customer - distributors and users; 2) Suppliers - of raw materials, equipment, product parts and labour; 3) Competitors - for suppliers and for customers; 4) Socio-political system - government regulation, public attitude and relationship with trade unions; 5) Technology - both on the supply and the demand sides.

While organisations have two layers of relationship with the environment, the managers within organisations may not be directly influenced by, nor can they respond to, all of the forces of the general and the task environments. They have a more specific environment which is defined as the "immediate environment" or the "perceived" environment (Kast & Rosenzweig 1979; p. 133).

The task environment influences goals and values, structure, technology, human relationship and managerial processes within an organisation. But the external "objective" information is passed through perceptive and cognitive "filters" of the internal members of the organisation. The "factual" information must still be interpreted by the human mind. The immediate environment is the role set of the managers as perceived by themselves. It influences the goals and the values of the managers and their behaviour.

The environmental contingency approach suggests that managers react directly to their immediate organisational environment, giving high priority to items which are scarce (Porter 1962; Maslow 1970), and low priority to items which are existing and are readily available. Motivators like Challenging Work, Use of Skills, Advancement, Freedom and Recognition are more desired than Hygiene factors like Desirable Area, Earnings, Security, Physical Conditions and Benefits (see Table 9.32).

Torbiorn (1982) described expatriate managers' behaviour as resulting from the frame of reference of the manager and from the environment. This description is presented in Figure 10.1:-

FIGURE 10.1: Factors Influencing Behaviour of Expatriate Managers
(Torbiorn 1982; p. 58)

Frame of Reference<-----> Behaviour<-----> Environment

In the present study it was proposed that the frame of reference could relate among others to three factors:

1. On the individual level - to the power motivation of the individual manager. A manager who is strongly motivated by the need for power will behave differently from a manager who is not motivated by a strong need for power. The strength of the need is a personal feature which varies from person to person.

2. On the collective level - to the parent country culture which has been assimilated by the expatriate manager before his/her assignment. The culture includes norms of behaviour. This factor is supposed to be common to managers who share the same parent culture.
3. On the universal level - to the role of the manager. Any manager, regardless of nationality or power need, who has been assigned to a subsidiary of a multinational, faces a structural conflict between the expectations of HQ officials and those of the host country employees. The solution to this dilemma is a personal one. However, there is no doubt that the structural conflict which is inherent in the role of the expatriate manager would influence his/her behaviour.

This discussion proposed that behaviour is also influenced by the environment of the expatriate manager. This environment includes:-

1. On the supra-system level - the banking industry and its characteristics.
2. On the system level - the MNC and the subsidiary in which the expatriate managers operate (Zeira & Adler 1980).
3. On the sub-system level - the task environment of the expatriate manager.

Following on from this description, Torbiorn's proposal could be elaborated in this study and is presented in Figure 10.2 as follows:-

Figure 10.2: Factors Influencing Behaviour of Expatriate Managers

<u>Frame of Reference</u>	<u>Behaviour</u>	<u>Environment</u>
Individual - Power	Power Distance	Sub-system - task
Collective - Nationality ↔	Uncertainty Avoidance ↔	System - MNC system
Universal - Role	Individualism	Supra-system - Bankg
	Masculinity	

Some of the environmental factors were described but were not used as independent variables in this study. The research design and the process of sampling were structured to control the environmental factors and to minimise their influence.

However, it is possible that a great deal of information about the causes of change of behaviour of expatriate managers is hidden in these components of the environment: the banking systems in the parent and the host countries, the organisational and the structural characteristics of the various banks and the specific job of the expatriate managers. These contingencies have not been tested here and therefore are suggested to be used only when the findings cannot be explained by the three explanatory theories. In any case these explanations must be tested and corroborated.

The analysis of variance of the components of the four dimensions of culture shows that Socialisation and Role theories contribute to the explanation of the change of behaviour of expatriate managers, while Theory of Power does not explain this change in behaviour.

Summary of this analysis is presented in Figure 10.3.

Figure 10.3: Contribution of Each of the Three Background Theories to Explaining the Change in Attitudes of Expatriate Managers.

THEORY	Socialisation		Role	Power
	Parent Country	Host Country		
EXPATRIATES' ATTITUDES				
<u>POWER DISTANCE</u>				
Desired Leadership Style			**	
Present Leadership Style			*	
Employees Afraid				
<u>UNCERTAINTY AVOIDANCE</u>				
Rules Breaking				
Tension at Work	**			
No. of Years to continue			**	
<u>INDIVIDUALISM</u>				
Personal Time				
Freedom	**	**	***	
Challenge		***	**	
Desirable Area			**	
Training	*			
Physical Conditions				
Use of Skills		*		
Benefits				
Co-operation				
<u>MASCULINITY</u>				
Manager		*	**	
Co-operation	*		**	
Desirable Area				
Security				
Earnings		**	**	
Recognition			***	
Advancement		*	**	
Challenge		***	**	
Use of Skills	**		**	

*** Very Significant; ** Significant; * Meaningful but not Significant

Figure 10.1 shows that the components of the dimensions of Power Distance and Uncertainty Avoidance could not be explained by the Socialisation Theory. However, it was found earlier that Hofstede's national scores on the dimensions of Power Distance and Uncertainty Avoidance were repeated for the managers studied.

The contradiction between these two findings is explained by Hofstede's eco-logic approach. The components of the dimensions do not correlate for the individuals but for nations. Therefore, when the dimensions were analysed as complete entities, Hofstede's national scores were repeated. However, when they were divided into their components, this predictive power of the Theory was not repeated.

Therefore, Hofstede's eco-logic approach has been validated for the dimensions of Power Distance and Uncertainty Avoidance.

The two mis-matches between Hofstede's national scores (Table 9.1) and the scores of this study - Israelis on Power Distance and Dutch on Masculinity - are explained as shifts in national values over time (Hofstede 1980, ch. 9). In Israel of 1970, HERMES population consisted of Israelis of Western origin. Their values might have been similar to Austrians' values (p. 222). However, the 1982 Israeli banking system is a combination of Israelis of both Western and of Eastern origins (Pizam & Reichel 1977). The values of Israelis of Eastern origin are expected, according to Hofstede's cluster, to be close to the values of Pakistan, Iran or Turkey - high Power Distance, strong Uncertainty Avoidance, low Individualism and medium Masculinity. Therefore, an increase in Power Distance and an increase in Uncertainty Avoidance are expected for employees in the banking system of Israel 1982. These are also the findings which came out.

In the same way, the reason for the high score of the Dutch managers (see Table 9.7) on Masculinity awaits an explanation from someone who is familiar with Dutch society and who can explain it in terms of new contingencies in the national environment.

The component of Tension at Work could be predicted by the Socialisation Theory in the parent country, but not by the Socialisation Theory in the host country, nor by the Role Theory. This finding strengthens the argument that the interpretation of Tension at Work is a socially desirable feature which is probably dictated by social norms anchored in the culture of the parent country.

The subject of the perception of the present leadership style of superior was discussed and explained earlier by the role of the manager. This explanation gets another validation here by the finding that the role of the manager is the best predictor of perception of leadership style.

The fact that the statement that "employees are afraid to disagree with their supervisors" could best be predicted by the role of the manager (although not at an acceptable significant level) is very similar to Alpander (1957) findings. Alpander found that expatriate managers tended to classify their host country subordinates as Type X people while classifying their parent country subordinates as Type Y people (McGregor 1960, Chs. 3,4). Type X people are supposed to be afraid to disagree with their supervisors. Probably, the shift to authoritarianism which was disclosed by Alpander is responsible for the perception of the host country employees as being afraid.

The manager's intention to continue working for the same organisation was found to best be predicted by the role of the managers. It appears that internationally assigned managers have in general less commitment to continue to work for their organisations. The fact that they made a successful cross-cultural move gives them more confidence with regard to a possible move within one culture.

Another possible explanation is the fact that expatriate managers are younger than the HQ officials and since the intention to leave correlated with age ($r=.56$), the score on this question might be a result of age difference rather than of role difference.

HQ officials and host country managers scored significantly higher than expatriate managers on most goals. This phenomenon cannot be blamed on the "reverse ecological fallacy" (Hofstede 1980, p. 29). The expatriate managers represent three nationalities and are compared along their roles or power positions and not along their nationalities. Thus, the findings must be taken at face value.

Goal importance can be operationally defined as the level of the effort that the individual is willing to make in order to achieve a goal.

If expatriate managers had belittled the importance of some goals and increased the importance of others, than we could refer to this phenomenon as a change in goal priorities. But the fact is that in addition to the change in goal priorities the expatriate managers have also scored lower than HQ officials on all goals. Hence, they changed their goals importance.

Explanations are proposed here for two distinctive scores (see Table 9.12) - the importance of the direct superiors and the unimportance of the goal of training.

The banks studied are huge bureaucracies (Jackall 1978). There is lots of room in the lower levels of the hierarchy but there is very little room in the higher levels. Recognition is rare since assessment and promotion are usually based only on the direct supervisor's recommendations. These can explain why the relationship of managers with their superiors is so important to managers at HQ or in the subsidiary, whether they are expatriates or host country nationals.

In IBM where the original research was conducted by Sirota & Greenwood (1971) the goal of Training Opportunities came up as one of the top selections. In the present study this goal was tenth - eleventh (out of fourteen, see table 9.12). In IBM, someone who is not trained in new technology and new products cannot function properly. In the simple slow changing industry of banking, most of the training is done on the job, and the goal of training is therefore not critically important.

This argument is demonstrated again in Figure 10.1. From this figure it is apparent that the best predictors of goals importance are the Role Theory and the Socialisation Theory in the host country.

Since these goals, which compound the dimensions of Individualism and Masculinity are predicted by the analysis of variance there is no need to apply an eco-logic approach to these two dimensions. Therefore, they can be explained by the individual logic approach.

The interaction of the variables which represent these two theories could also predict some of the characteristics of managers' behaviour. However, it is beyond the ability of this study to explain the predictive power of these interactions.

As for the Theory of Power, it was found to be unhelpful in predicting the behaviour of expatriate managers.

However, it has been demonstrated that expatriate managers at top positions tend to change their attitudes less than expatriates in lower levels. A possible explanation is the different nature of the role set of each group of managers. For the top managers the most important role senders are HQ officials who control their work and make their task decisions (Pfeffer & Salancik 1975).

In addition, their performance is assessed by their immediate supervisors who are located at HQ in the parent countries. Therefore, they tend to adhere to the patterns of managerial attitudes which prevail in the parent country (Zeira, Harari and Izraeli-Nundi 1975). Expatriates in lower-middle positions are evaluated by their direct supervisors in the host country. The superiors, whether of parent country origin or host country origin, are exposed to the same task environment, part of which is created by their host country customers and subordinates. Therefore, they assess them on the host country task environment background. This type of assessment leads the lower level expatriate managers to respond to some extent to the norms of the host country.

In general, expatriate managers in all levels responded to the HQ expectations. After all, expatriate managers are planned to be repatriated to HQ, and their major role senders are embedded in the parent country.

Hence, expatriate managers tend to react to HQ expectations. This follows Pfeffer & Salancik (1975) predictions that "whether the supervisor attends more to the expectations of his boss or to those of his immediate subordinates appears to be a function of.....whether task decisions are made primarily by the supervisor, by his boss, or by his subordinates" (p. 152).

5. Evaluation of the Theories

Merton (1968) classified six types of scientific works which are often placed together as comprising sociological theory. They are: Methodology, General Sociological Orientation, Analysis of Sociological Concepts, Post Factum Interpretation, Empirical Generalisation and Sociological Theory.

Methodology differs from theory. The difference is between knowing how to test a battery of hypotheses and knowing the theory from which to derive hypotheses to be tested (p.141).

General Orientation involves broad postulates indicating types of variables which are somehow to be taken into account rather than specifying determinate relationships between particular variables (p.142).

Sociological concepts constitute the definitions (or prescriptions) of what is to be observed. They are the variables between which empirical relationships are to be sought (p.143).

Post Factum Interpretation is a case in which data that are collected in empirical social research are subjected to interpretative comment. In other words, post factum explanations designed to explain observations (p.147).

Empirical Generalisation is an isolated proposition summarising observed uniformities of relationships between two or more variables (p.149).

Sociological theory has several functions:-

1. It indicates that theoretic pertinence is not inherently present or absent in empirical generalisations but appears when the generalisation is conceptualised in abstractions of a higher order.
2. Once having established the theoretical pertinence of a uniformity by deriving it from a set of interrelated propositions, we provide for the aggregation both of theory and research findings.
3. The conversion of empirical uniformities into theoretic statements increases the fruitfulness of research through the successive exploration of implications.
4. By providing a rationale, the theory introduces a ground for prediction which is more secure than mere empirical extrapolation from previously observed trends.
5. If theory is to be productive, it must be sufficiently precise to be determinate. The more precise the predictions which can be drawn from a theory, the less the likelihood of alternative hypotheses which will be adequate to these predictions.

Following these five functions, the bearing of empirical research on sociological theory is as follows:-

1. The unanticipated, anomalous and strategic datum exerts pressure for initiating theory.
2. New data exerts pressure for the elaboration of a conceptual scheme.

3. New methods of empirical research exert pressure for new foci of theoretic interest.
4. Empirical research exerts pressure for clear concepts (pp. 156-171).

Analysis of the three background theories (Socialisation, Role and Power) and the Theory of Culture proposed by Hofstede, along the lines of the functions of theory is presented below.

The Socialisation Theory, which was used to discuss early age programming in the parent country, is more of a general orientation or a concept rather than a theory. There is no sufficient empirical data to substantiate this concept by way of replication of measures. Only several replications of the same operational measures with respondents of the same early age background and similar current attitudes could corroborate this concept. The present study contributes in the way which has just been described as desired. Replication of Hofstede's measures of cultural attitude was conducted in order to search for similarities and differences between respondents of the same nationalities (early age background). Thus, the new data acquired exerts pressure for elaboration of a conceptual scheme. However, because of the problematic nature of the measures used, the empirical research has also exerted pressure for a clearer concept of early age programming by asking what is it that was programmed - was it values, attitude or behaviour?

The Socialisation Theory which was used to describe the cultural adjustment of expatriate managers in the host country seems to be an empirical generalisation. It was assumed that since people are orientated towards the values, attitudes and patterns of behaviour in their parent country, they will tend to do the same in the host country, providing sufficient time is allowed for this exercise.

The results of the study prove that the longer the expatriates are exposed to the characteristics of the host culture, the more they tend to change some aspects of their managerial behaviour. However, the findings also prove that these changes are not necessarily orientated towards the characteristics of the host culture. In other words, the socialisation (or the adjustment) is not a result of adoption of the values, attitudes and patterns of behaviour which are normative in the host culture. This is more likely a result of meeting the expectations of the immediate and task environment rather than the expectations of the general environment.

These findings are similar to those of Lee and Larwood's (1983). However, as a result of the use of two different methodologies in the two studies, the conclusions are not the same. Lee and Larwood suggested that the socialisation of expatriate managers in the host country is a result of imitation of the general attitudes prevailing in the host country. The present study proposes that the adjustment is a result of meeting the expectations of the immediate and task environments. Thus, a new intervening variable is proposed to explain the differences. Lee and Larwood proposed the following relationships:-

The longer the time in the host country ----> more imitation ----> a change in behaviour.

The present study proposes the following:-

The longer the time in the host country ----> more locals in the immediate environment ----> more imitation of host culture ----> a change in behaviour.

According to this explanation, the more locals comprise the immediate environment of the expatriate managers and/or the "closer" they are to the expatriate managers, the more the expatriates will tend to change their behaviour to satisfy their immediate environment. This hypothesis is in line with the predictions of expatriates' behaviour proposed in pages 50-51.

The theory of socialisation in the host country is more of an empirical generalisation. However, the findings of this study refine the causality chain by adding a new variable (social contact) which allows the generalisation to get closer to the state of a theory.

The role theory which was used in this study is, according to Merton's classification, a conceptual framework. No explanatory variables were added to this concept to show why expatriate managers imitate behaviour differently than HQ officials.

It was tentatively assumed that the role of the expatriate manager is more complicated than the role of the HQ official. However, there were no studies which could present empirical evidence to corroborate this hypothesis.

The findings of this study demonstrated that the role of the expatriate is a major factor in explaining his/her attitudes. This does not mean that the hypothesis which proposed that the expatriate managers role is more complicated than the role of the HQ official has been corroborated. But there is a strong suggestion that these two roles differ, and that this difference is the cause for their dissimilar attitudes.

It is only post factum then, that the life-cycle of the role of the expatriate manager has been suggested as the explanatory variable. This means that the explanation must be tested in order to become an integral part of the theory.

The most surprising result in the study is the total insignificance of the theory of power in predicting expatriate managers' adjustment. This unanticipated datum exerts pressure for initiating theory. It also exerts pressure for clear concepts. As was demonstrated in the chapter on power, the concept of power is generally ill defined.

There are two types of power:- personal need - an attitude of the individual; and organisational power - a characteristic of the position. While the latter describes and predicts the potential power which is available in certain positions, the former describes and predicts to what extent individuals will fulfil the potential in their positions and exercise power. In the present study, the managers' power need was measured under the assumption that the high power positions are available in the host country. In general, it was found that the power need of managers is not a function of their hierarchial position. Therefore, the assumption that high power positions are available in the host country must be empirically tested. Similar tests should be applied to all post factum interpretations proposed here (pp 240-243).

In addition, the success of the contingent role theory in predicting the behaviour of expatriates suggests that prediction of the contingency theory of leadership (Fiedler 1967) rather than of the theory of power might be more successful.

Though the theory of culture proposed by Hofstede (1980) served as the dependent theory and therefore was replicated, it was not actually tested. The findings, however, proposed some implications regarding this very new theory.

Two dimensions - Power Distance and Individualism were repeated for the nationalities studied, while the two other dimensions - Uncertainty Avoidance and Masculinity were not.

These findings may result from the inaccuracy of the theory, but it may also result from the mere change in national attitudes over the last twelve years (between Hofstede's study and the present study). Only frequent replications of the study can resolve this dilemma. This fact, in addition to the large sample of respondents (which can be regarded for statistical purposes as populations) and the heterogeneous indices which were used (Hofstede 1980 p. 347), make this particular theory almost impractical for research of social change. It is extremely difficult to validate the theory by empirical research, it is almost impossible to erode it. History proves that these types of theories (Freud 1921) tend to last forever.

6. Conclusions and Implications

American, Dutch and Israeli expatriates in London, although sometimes characterised by different attitudes, tend to change their managerial attitudes in the host country in the same ways. It is, therefore, proposed that the role of expatriate managers affects their attitudes to the same extent as their nationality (Socialisation), and more than their personalities (Power).

Expatriate managers are thrown into a new system. They have to re-learn well-known facts and factors that were 'self evident' in the old system. They have to 'defreeze and change' (Lewin 1947) in order to be able to function in the new system. Thus, in contradiction to their peers at HQ, who continue to operate under defined and known rules, expatriate managers have to change their attitudes towards their new task environment. To summarise:

Internationally transferred expatriate managers in the banking industry.....

1. ..tend to retain basic general values.
2. ..tend to change some aspects of their managerial behaviour.
3. ..tend to adjust their behaviour to the expectations of the major role senders in their task environment, of which the most important are the HQ officials.
4. ..tend to criticise their immediate superiors (also expatriates) for being autocratic in their leadership style. However, they do not tend to demonstrate a greater use of power or power distance.
5. ..tend not to gain more power at HQ of the banks because of their appointment abroad. Some of them lose power at HQ as a result of their international transfer.

Finally, expatriate managers tend to change some aspects of their attitudes towards their organisations in accordance with their task environment expectations. However, expatriate managers tend to retain their general values.

Some implications may be drawn from the findings. For example- regarding selection and training of expatriate managers:

1. Selection of expatriate managers for international assignments must make sure that their general values are not in contradiction to the general values of the role senders in the host country. The attitudes of the expatriates may change but it is much harder to change their values. Therefore, a strong emphasis should be focused on assessing the values of expatriates before they are assigned to a host country.
2. Managerial attitudes and behaviour of expatriate managers can best be changed by the immediate environment in the host country. Pre-departure training and training in the host country must focus on the expectation of the major role senders of the expatriates.
3. The most important role senders of expatriate managers seem to be their bosses at HQ. Hence, in order to achieve any adjustment of expatriate managers to their host culture, their bosses at HQ must be culturally orientated to the host country's characteristics in the same ways as the expatriate managers themselves.

The same rule applies to the spouses of the expatriates. Cultural training which does not include the major role senders of the expatriate managers is doomed from the start.

4. It is also imperative that values and attitudes of major role senders of the expatriate managers in the host country (and mainly stakeholders like customers) should be studied and analysed. This is in order to identify similarities and differences between the values and attitudes of customers and expatriate managers (Zeira & Adler 1980). Following this analysis, selection criteria for expatriate managers could be formulated and tailor-made training programmes established.

7. Proposal for Further Research

The Study was conducted in one industry - that of banking. It included managers of four nationalities - British, American, Dutch and Israeli. All the data analysed were collected from one source - the managers themselves. In order to develop the study further, the following steps are suggested:-

1. Replication of the study in a completely different industry (eg high-tech companies or industrial organisation). The comparison with other industries will allow conclusions to be drawn regarding the affects of contextual organisational variables on managers' behaviour.
2. Study of more nationalities which traditionally (Sirota & Greenwood 1971; Haire, Ghiselli and Porter 1966) represent cultural clusters which differ from the Western culture (eg study of South American or East Asia managers). The inclusion of these types of nationalities into the research will allow for a comparison between more cultural clusters.
3. Concentration on Role Theory as the determinant of expatriate managers change of behaviour, and further development of its explanatory and predictive power. The adoption of the Role approach will necessitate the study of more role senders of the expatriate managers and a comparison between the perceptions and attitudes of the different role senders. It will also require better discrimination among immediate, task and general environment.
4. Concentration on the Socialisation Theory in the parent country (Nationality) to explain and predict expatriate managers' resistance to change their behaviour in the host country.
5. Comparison between the behaviour of expatriate managers in multinational business corporations and expatriate managers in international non-profit organisations (like the UN).

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APPENDIX 1: Characteristics of the Respondents according to their Nationality, Role and Rank

a. Characteristics of the Respondents according to their Nationality

Table A.1: The Respondents' Rank according to their Nationality (N=243)

Rank	Total (243)*	Nationality				
		American (74)	British (28)	(86)	Dutch (23)	Israeli (32)
Gen Man/ Dep Gen Man	2.5 (6)	-	-	-	4.3 (1)	15.6 (5)
Senior Man Sen Vice Pres	9.6 (23)	2.8 (2)	28.6 (8)	3.5 (3)	21.7 (5)	15.6 (5)
Manager/ Vice Pres	52.9 (127)	65.3 (47)	28.6 (8)	55.3 (47)	56.5 (13)	37.5 (12)
Assis Man/ 2nd Vice Pres	25.8 (62)	26.4 (19)	42.9 (12)	27.1 (23)	13.0 (3)	15.6 (5)
Sub Man/ Assis Treas	5.4 (13)	5.6 (4)	-	9.4 (8)	-	3.1 (1)
Auth Sig	2.5 (6)	-	-	3.5 (3)	4.3 (1)	6.3 (2)
Non-Man in man position	1.2 (3)	-	-	1.2 (1)	-	6.3 (2)

* 13 managers were British expatriates in New York and therefore were not included in this sample

Table A.1 shows that most of the respondents sampled were of second, third and fourth levels in the hierarchy of their banks. Thus, they were mostly high level officials.

Table A.2: Length of Service of the Respondents in GB according to their Nationality (N=186)

Length of Service in Years		Nationality				
		Total * (186)	American (52)	British (28) (86)		Dutch (10)
1	8.0 (15)	15.4 (8)	-	5.8 (5)	-	22.2 (2)
2	11.8 (22)	13.5 (7)	-	5.8 (5)	66.7 (6)	44.4 (4)
3	5.9 (11)	7.7 (4)	7.1 (2)	3.5 (3)	-	22.2 (2)
4	7.0 (13)	5.7 (3)	3.6 (1)	8.1 (7)	10.0 (1)	11.1 (1)
5	9.1 (17)	11.5 (6)	7.1 (2)	10.5 (9)	-	-
6 - 10	31.1 (58)	30.7 (16)	35.7 (10)	34.9 (30)	20.0 (2)	-
11+	26.3 (49)	15.4 (9)	46.4 (13)	31.4 (27)	10.0 (1)	-
AVERAGE	8.24	6.37	11.68	9.26	5.36	2.22

* This number represents the total number of expatriate managers and British managers in London. It does not include HQ officials.

Table A.2 shows that while the Israeli organisation appointed its expatriate managers to its subsidiaries for a limited period of time (2 - 4 years) the American and the Dutch banks appointed their managers for longer periods. (Average of 6.37 and 5.36 years respectively).

Table A.3: Length of Service of the Respondents Managers in Present Position at HQ and in the Subsidiaries according to their Nationality (N=243)

Years	Total (243*)	Nationality			
		American (74)	British (28) (86)	Dutch (23)	Israeli (32)
1	29.2 (70)	30.6 (22)	10.7 (3) 32.6 (28)	17.4 (4)	41.9 (13)
2	27.1 (65)	29.2 (21)	25.0 (7) 26.7 (23)	39.1 (9)	16.1 (5)
3	17.5 (42)	11.1 (8)	28.6 (8) 22.1 (19)	21.7 (5)	6.5 (2)
4	8.8 (21)	13.9 (10)	7.1 (2) 2.3 (2)	13.0 (3)	12.9 (4)
5	5.8 (14)	5.6 (4)	7.1 (2) 8.1 (7)	-	3.2 (1)
6-10	10.5 (25)	9.7 (7)	17.8 (5) 8.1 (7)	4.3 (1)	16.1 (5)
11+	1.2 (3)	-	3.6 (1) -	4.3 (1)	3.2 (1)
AVERAGE	2.98	2.80	3.93 2.65	3.00	3.45

* This figure does not include 13 British expatriates in New York

Table A.3 shows that the shortest average time in one position was spent by British respondents in the subsidiaries of their banks. American spent an average of 2.80 years in one position, and Israelis spent 3.45 years. The longest time in one position was spent by British respondents in a British bank (3.93).

Table A.4: Minimum, Maximum and Average Age of the Respondents according to their Nationality (N=243)

Age (in Years)	Total (243*)	Nationality				
		American (52)	British (28) (86)		Dutch (23)	Israeli (32)
Minimum	25	25	27	25	25	29
Maximum	67	64	60	61	59	67
Average	38.74	36.42	38.07	38.38	38.82	45.59

Table A.4 shows that the minimum age of Israeli respondents was higher than that of the other respondents. They also worked until they were older (67) and on average they were older (45.59) than their colleagues in other banks studied.

Table A.5: Distribution of the Respondents' Formal Education and Number of Years of Education according to their Nationality

Education	Total (243)	Nationality				
		American (74)	British (28) (86)		Dutch (23)	Israeli (32)
University Degree	62.3 (149)	94.6 (70)	60.7 (17)	31.7 (26)	69.6 (16)	62.5 (20)
Professional Diploma	24.7 (59)	1.4 (1)	28.6 (8)	46.3 (38)	21.7 (5)	21.9 (7)
National Diploma	5.9 (14)	2.7 (2)	-	11.0 (9)	4.3 (1)	6.3 (2)
Other Qualifications	7.1 (17)	1.4 (1)	10.7 (3)	11.0 (9)	4.3 (1)	9.4 (3)
Average no of Years of Ed	15.16	17.15	13.71	13.57	15.95	15.56

Table A.5 shows that the British respondents had less years of formal education than the American, Dutch and Israeli respondents. The most formally educated managers were the American respondents with 17.15 years, then the Dutch (15.95), the Israelis (15.56) and the British with 13.57 years of formal education.

Table A.6: Number of Languages Commanded by the Respondents according to their Nationality (N=243)

No of Languages	Total (243)	Nationality			
		American (74)	British (28) (86)	Dutch (23)	Israeli (32)
1	44.0 (106)	48.6 (36)	53.6 (15) 64.7 (55)	-	-
2	22.0 (53)	20.3 (15)	28.6 (8) 20.0 (17)	8.7 (2)	35.5 (11)
3	18.3 (44)	17.6 (13)	7.1 (2) 11.8 (10)	34.8 (8)	35.5 (11)
4	13.7 (33)	10.8 (8)	10.7 (3) 2.4 (2)	52.2 (12)	25.8 (8)
5	2.1 (5)	2.7 (2)	- 1.2 (1)	4.3 (1)	3.2 (1)
AVERAGE	2.08	1.98	1.75 1.55	3.52	2.97

Table A.6 shows that on average, the Dutch (3.52) and the Israelis (2.97) commanded more languages than the Americans (1.98) and the British (1.75 and 1.55).

b. Characteristics of the Respondents according to their Pole

HQ = Headquarter Officials

EX = Expatriates

LO = Locals

Table A.7: Respondents' Rank according to their Role (N=215*)

Organisational Level	Role		
	HQ (57)	EX (72)	LO (86)
General Man/Deputy General Man	5.3 (3)	4.3 (3)	-
Senior Man/Senior Vice President	14.0 (8)	14.3 (10)	3.5 (3)
Manager/Vice President	54.4 (31)	47.1 (33)	54.7 (47)
Assistant Man/2nd Vice President	26.3 (15)	21.4 (15)	26.7 (23)
Sub Manager/Assis Treasurer	-	5.7 (4)	9.3 (8)
Authorised Signatory	-	4.3 (3)	3.5 (3)
Non-Manager in Management position		2.9 (2)	1.2 (1)

* This total does not include 14 British expatriate managers in New York, and 28 British managers in a British bank in London

Table A.7 shows that the HQ officials and the expatriates had representation on the top echelons of the hierarchical ladder, (general managers and deputies). The local managers' highest level was that of Vice President with three exceptions of deputy general managers/senior vice president.

Table A.8: Length of Service of the Respondents in their Respective Parent Countries according to their Role (N=215)

Length of Service in Parent Country in Years	Role		
	HQ (57)	EX (72)	LO (86)
1 - 5	14.3 (8)	43.9 (18)	-
6 - 10	25.0 (14)	29.3 (12)	-
11 - 15	17.8 (10)	9.8 (4)	-
16 - 20	7.2 (4)	4.9 (2)	-
21 - 25	14.3 (8)	4.9 (2)	-
26 - 30	17.8 (10)	4.9 (2)	-
31+	3.6 (3)	2.4 (1)	-
AVERAGE	15.23	9.68	-

Table A.8 shows that the managers sampled had various length of service in their organisation in the parent country. This time varies from 1 year to 37 years. While the expatriate managers had an average of 9.68 years of service in the parent country, HQ officials had 15.23 years of service.

Table A.9: Length of Service of the Respondents in their Present Position at HQ and in the Subsidiaries according to their Role (N=215)

Length of Service in Present Position in Years	Role		
	HQ (57)	EX (72)	LO (86)
1	21.1 (12)	29.2 (21)	32.6 (28)
2	19.3 (11)	29.2 (21)	26.7 (23)
3	14.0 (8)	18.1 (13)	22.1 (19)
4	17.5 (10)	8.3 (6)	2.3 (2)
5	5.3 (3)	4.2 (3)	8.1 (7)
6 - 10	19.3 (11)	5.8 (4)	8.1 (7)
11+	3.5 (2)	1.4 (1)	-
AVERAGE	4.02	2.62	2.65

Table A.9 shows that the average period of time that the expatriate managers spent in their present position was 2.62 years. The host country managers spent on average, the same time in their present position (2.65). However, the HQ officials spent an average 4.02 years in their present position.

Table A.10: Distribution of Age of the Respondents according to their Role (N=215)

Age	Role		
	HQ (57)	EX (72)	LO (86)
Minimum	27.00	25.00	25.00
Maximum	63.00	67.00	61.00
Average	42.82	37.14	38.38

Table A.10 shows that the minimum and the maximum age of HQ officials, expatriates and locals was almost similar. On average, the youngest managers were the expatriates (37.14), then locals (38.55) and then HQ officials (42.82).

Table A.11: Formal Education of the Respondents according to their Role (N=215)

Level of Education	Role		
	HQ (57)	EX (72)	LO (86)
University Degree	75.4 (43)	77.8 (56)	30.2 (26)
Professional Diploma	15.8 (9)	12.5 (9)	44.2 (38)
National Diploma	5.3 (3)	2.8 (2)	10.5 (9)
Other Qualifications	3.5 (4)	6.9 (5)	10.5 (9)
Average No of Years of Education	16.19	15.87	13.57

Table A.11 shows that, on average, the local British managers had the smallest number of years of education (13.57). The expatriates had an average of 15.87 years of education, and the HQ officials had an average of 16.19 years of education.

Table A.12: Number of Languages Commanded by the Respondents according to their Roles (N=215)

Number of Languages	Role		
	HQ (57)	EX (72)	LC (86)
1	21.1 (12)	40.3 (29)	64.0 (55)
2	19.6 (11)	25.0 (18)	19.8 (17)
3	35.7 (20)	11.1 (8)	11.6 (10)
4	21.4 (12)	19.4 (14)	2.3 (2)
5	1.8 (1)	4.2 (3)	1.2 (1)
AVERAGE	2.62	2.22	1.55

Table A.12 shows that the local British managers commanded on average 1.55 languages. The expatriate managers and the HQ officials commanded on average 2.22 and 2.62 languages respectively.

c. Characteristics of respondents according to their rank

H1 = General Manager/Deputy General Manager
Senior Manager/Senior Vice President

H2 = Manager/Vice President

H3 = Assistant Manager/Second Vice President
Sub Manager/ Assistant Treasurer
Authorised Signatory
Non-Manager in Managerial position

Table A.13: Length of Service of the Respondents in the Host Country according to their Rank (N=253*)

Rank	H1 (29)	H2 (132)	H3 (92)
Years			
1 - 5	33.3 (6)	34.3 (35)	55.3 (42)
1 - 10	16.7 (3)	32.4 (33)	32.9 (25)
11 - 15	44.4 (8)	17.6 (18)	7.9 (6)
16 - 20	-	6.9 (7)	2.6 (2)
21 - 25	-	4.9 (5)	1.3 (1)
26 - 30	-	1.0 (1)	-
31+	5.6 (1)	3.0 (3)	-
AVERAGE	9.78	9.58	6.04

* Three respondents who failed to disclose their rank were not included.

Table 35 shows that the managers of top rank (9.78) and of middle rank (7.58) spent more years in the host country than managers of lower ranks (6.04 on average).

Table A.14: Length of Service of the Respondents in their Present Position at HQ and in the Subsidiaries according to their Rank (N=253)

Rank	H1	H2	H3
Years	(29)	(132)	(92)
1	24.1 (7)	33.1 (43)	30.8 (28)
2	37.9 (11)	20.8 (27)	30.8 (28)
3	10.3 (3)	14.6 (19)	23.1 (21)
4	10.3 (3)	8.5 (11)	7.7 (7)
5	6.9 (2)	6.9 (9)	3.3 (3)
6 - 10	10.3 (3)	14.7 (19)	3.3 (3)
11+	-	1.5 (2)	1.1 (1)
AVERAGE	2.79	3.14	2.64

Table A.14 presents the length of service in the present position of the three different groups of managers. The middle rank managers spent more time (3.14) in their present position than the top rank (2.79) and the lower rank (2.64 years on average).

Table A.15 : Age of the Respondents according to their Rank (N=253)

Rank	H1	H2	H3
Age	(29)	(132)	(92)
Minimum	35	27	25
Maximum	67	64	61
Average	46.48	40.04	34.13

Table A.15 shows that the minimal age for being a Deputy General Manager/Senior Manager was 35 - the maximum age of General Management was 67. As for the second level of management - the minimal age was 27 years old and the maximum was 64. For middle-lower management the ages were ranging between 25 and 61. On average, managers in higher positions were older than managers in lower positions (46.48; 40.04 and 34.13 respectively).

Table A.16 : Formal Education of the Respondents according to their Rank (N=253)

Rank	H1	H2	H3
Education	(29)	(132)	(92)
University Degree	58.6 (17)	62.6 (82)	61.8 (55)
Professional Diploma	34.5 (10)	26.7 (35)	19.1 (17)
National Diploma	3.4 (1)	5.3 (7)	6.7 (6)
Other Qualifications	3.4 (1)	5.3 (7)	12.4 (11)
Average No of Years of Education	14.62	15.25	15.05

Table A.16 shows the distribution of the level of education of managers, according to their level in the hierarchy. On average, the most educated were the second rank managers (15.25 years) then the third rank (15.05) and the least educated managers were located in the highest positions of the organisations (14.62).

Table A.17: Number of Languages Commanded by the Respondents according to their Rank (N=253)

Rank	H1	H2	H3
Number	(29)	(132)	(92)
1	24.1 (7)	43.2 (57)	50.0 (45)
2	20.7 (6)	22.0 (29)	23.3 (21)
3	13.8 (4)	22.7 (30)	14.4 (13)
4	37.9 (11)	9.1 (12)	11.1 (10)
5	3.4 (1)	3.0 (4)	1.1 (1)
AVERAGE	2.76	2.07	1.90

Table A.17 shows that on average, managers in the top level commanded more languages (2.76) than managers in the lower positions (2.07 and 1.90 respectively).

Table A.18: Spearman Rank Correlation between the Background Variables and the Dependent Variables

Variable	Rank	Years in Host Count.	Present Position	Age	Formal Educat.	No. of Years of Education	Lang-ages
PDI	.10*	-.01	.13*	.00	.00	.02	.02
Des. Leader Style	.15	.00	-.01	.00	-.10*	.04	.06
Pre. Leader Style	.05	-.03	-.09	-.04	-.01	.06	.10*
Employees Afraid	.08	.02	-.02	-.03	.13*	-.14*	-.02
UAI	-.10	.14*	.08	.26**	.03	-.08	-.05
Rules Breaking	.08	-.05	.07	-.12*	-.04	.00	-.04
Tension	-.04	-.01	-.01	.04	.15*	.00	.11*
Years to continue	-.10	.19*	.14*	.52**	.21*	-.15*	.00
IND+MAS							
Challenge	.05	-.19*	-.02**	-.00	-.03*	.06*	.07*
Desire. Area	.00	-.02	.19**	.08	.16	-.12	-.10
Earnings	-.10*	-.02	.21**	.01**	-.03	.03	-.09
Cooperation	-.12*	.00*	.17**	.21**	.03	-.08	.06
Training	.11	-.12*	.06*	-.03*	.00	.06	.09
Benefits	-.08	.02	.15*	.11	.00	.01	-.03
Recognition	.02	.00	.15*	.04	.06	.01	-.13
Physic. Cond	.02	-.08	.14*	.03	.04	.00	.02
Freedom	-.08	-.07*	.17*	.08**	-.03*	.02**	.09
Security	-.02	.14	.19	.24	.12	-.21*	.00
Advancement	.05	-.10	-.07	-.09*	-.09	.05	.01
Direct Super	-.03	-.11*	.09*	.11*	.00	-.07	-.10
Use of Skill	-.08	-.13	.13*	.15	-.07	.05*	.09
Pers Time	.00	-.05	.15	.03	.07	-.12	-.09

* Significant R; p < .05

** Significant R; p < .001

Table A.18 presents correlations between the characteristics of the respondents and their managerial behaviour as measured on the four dimensions of culture.

Power Distance correlates with the rank of the manager (.10) and the length of time in the present position (.13).

Uncertainty Avoidance correlates with the length of time in the host country (.14) and with the age of the manager (.26). The factor which correlated highly with the age of the managers is their decision not to leave the organisation within five years or more (.52).

The components of the dimensions of Individualism and Masculinity correlate with the length of time in present position. However, the level of correlation is low.

Appendix 2: The Questionnaire

QUESTIONNAIRE

THE BEHAVIOUR OF MANAGERS IN SUBSIDIARIES
OF MULTINATIONAL CORPORATIONS

ABOUT THIS QUESTIONNAIRE

You are being asked to fill in this questionnaire as part of a survey of a number of different enterprises. We are studying the attitudes of foreign and local managers in subsidiaries of multinational banks towards their environment, their colleagues and their subordinates.

The questions fall into three categories:-

1. How you see yourself
2. Your goals
3. Your attitudes

A number of questions are asked about each of these. You will find that in many of the questions, you are given a number of alternative answers, and have to choose one of them. This simplifies the questionnaire for you so that it will take less time to complete; indeed, it is not as long as it looks. We realise that sometimes this may have the effect of over-simplifying your ideas, and that in some cases there may be no alternative answer which expresses exactly how you feel. Similarly there may be crucial points about your job or the way you do it which are not covered anywhere in the questionnaire. But if we were to cover everything the questionnaire would take days to complete! We hope you will bear with us, choosing the answers nearest to your feelings.

We would like any brief comments you may have about the areas covered and have left space for these in each of the sections.

Please complete the questionnaire without consulting any of your colleagues. When you have finished, put it in the enclosed S.A.E. and return it. All your answers are, of course, completely confidential, and all information given to us is used in such a way as to preserve complete anonymity.

Finally, we would like to thank you for completing the questionnaire and hope you will find it of interest.

SECTION A

Yourself

1. Name: _____ Date: _____
2. Position Held: _____
3. Organisation: _____
4. I have worked in the London organisation for _____ years.
5. * I have worked in the Parent organisation for _____ years.
6. I have held my present position for _____ years.
7. I have held _____ (number) different positions since I joined this organisation.
8. I am _____ years old.
9. The country in which I spent my first 4/5 years of life is _____ .
10. My nationality is _____ .
11. My mother-tongue is _____ .
12. My religion is _____ .
13. I am male/female.
14. I have been formally educated to the following level (please specify):
 - University Degree: _____ .
 - Professional Qualification: _____ .
 - National Diploma or Certificate: _____ .
 - Any other qualification: _____ .
15. I have completed _____ (number) years of formal school education (starting with primary school; count only the number of years each course should officially take, even if you spent less or more years on it. If you took part-time or evening courses, count the number of years the same course would have taken you full-time).
16. I have a good command of the following languages:
 - _____
 - _____

* This question is for expatriate managers only

SECTION B

Your Goals

People differ in what is important to them in a job. In this section we have listed a number of factors which people might want in their work. We are asking you to indicate how important each of these is to you.

In completing the following section, try to think of those factors which would be important to you in an ideal job; disregard the extent to which they are contained in your present position.

Please NOTE: Although you may consider many of the factors listed as important, you should use the rating "of utmost importance" only for those items which are of the most importance to you.

For every item you will be answering the general question "HOW IMPORTANT IS IT TO YOU TO? With one answer from the five alternative set out below:

- 1. of very little importance
- 2. of little importance
- 3. of moderate importance
- 4. of great importance
- 5. of utmost importance

- | | | | | | |
|--|---|---|---|---|---|
| 17. Work as close as possible to home | 1 | 2 | 3 | 4 | 5 |
| 18. Have challenging work to do - work from which you can get a personal sense of accomplishment | 1 | 2 | 3 | 4 | 5 |
| 19. Live in an area desirable to you and your family | 1 | 2 | 3 | 4 | 5 |
| 20. Have an opportunity to achieve high earnings | 1 | 2 | 3 | 4 | 5 |
| 21. Work with people who co-operate with one another | 1 | 2 | 3 | 4 | 5 |
| 22. Have training opportunities (to improve your skills or learn new skills) | 1 | 2 | 3 | 4 | 5 |
| 23. Have good fringe benefits | 1 | 2 | 3 | 4 | 5 |
| 24. Get the recognition you deserve when you do a good job | 1 | 2 | 3 | 4 | 5 |
| 25. Have good physical working conditions (good ventilation and lighting, adequate work space etc) | 1 | 2 | 3 | 4 | 5 |

SECTION B (Cont.)

- | | | | | | |
|--|---|---|---|---|---|
| 26. Have considerable freedom to adopt your own approach to the job | 1 | 2 | 3 | 4 | 5 |
| 27. Have the security that you will be able to work for your company as long as you wish | 1 | 2 | 3 | 4 | 5 |
| 28. Have the opportunity of advancement to higher level positions | 1 | 2 | 3 | 4 | 5 |
| 29. Have a good working relationship with your manager | 1 | 2 | 3 | 4 | 5 |
| 30. Fully use your skills and abilities on the job | 1 | 2 | 3 | 4 | 5 |
| 31. Have a job which leaves you sufficient time for your personal or family life | 1 | 2 | 3 | 4 | 5 |
| 32. Have a job which allows you to make a real contribution to your company's success | 1 | 2 | 3 | 4 | 5 |
| 33. Work in a department which is run efficiently | 1 | 2 | 3 | 4 | 5 |
| 34. Work for a company which is regarded as successful in your country | 1 | 2 | 3 | 4 | 5 |
| 35. Have little tension or stress on the job | 1 | 2 | 3 | 4 | 5 |
| 36. Be consulted by your direct superior in his/her decisions | 1 | 2 | 3 | 4 | 5 |
| 37. Serve your country | 1 | 2 | 3 | 4 | 5 |
| 38. Have an element of variety and adventure in the job | 1 | 2 | 3 | 4 | 5 |
| 39. Have an opportunity to help other people | 1 | 2 | 3 | 4 | 5 |
| 40. Work in a well-defined job situation where the requirements are clear | 1 | 2 | 3 | 4 | 5 |

Comments on this section: _____

SECTION C

Your attitude towards your organisation

Below are described four different styles of decision-making which may be adopted by Managers. Firstly, please read through the descriptions:

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

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

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

Manager D Usually calls a meeting of his/her subordinates when there is an important decision to be made. Puts the problem before the group and tries to obtain a consensus. If he/she obtains a consensus he/she accepts this as the decision. If a consensus is impossible, he/she usually makes the decision him/herself.

Now please mark the manager you would prefer to work for. It is recognised that the same manager may adopt a different style according to the decision being made. Nevertheless, please select on the basis of the majority of the decisions:

41. The manager you would most like to work for is (tick):

Manager A ___
Manager B ___
Manager C ___
Manager D ___

SECTION C (Cont.)

42. The manager to whom your manager most closely corresponds* : (tick)

- Manager A _____
- Manager B _____
- Manager C _____
- Manager D _____

Your manager does not correspond to any of the above. His/her management style is as follows:

43. Your direct manager's nationality is:

* If you report directly to more than one manager, please restrict your answer to the one with whom you have the most frequent contact.

SECTION C (Cont.)

44. How frequently, in you present organisation, are employees afraid to express disagreement with their managers? (please circle)

1. Very frequently
2. Frequently
3. Sometimes
4. Seldom
5. Very Seldom

45. Please indicate the extent to which you personally agree or disagree with the statement that "Company rules should not be broken - even when the employee thinks it is in the Company's interests":

1. I strongly agree
2. I agree
3. I am undecided
4. I disagree
5. I strongly disagree

46. How often do you feel nervous or tense at work?

1. I always feel this way
2. Usually
3. Sometimes
4. Seldom
5. I never feel this way

47. How long do you think you will continue working for this organisation?

1. Two years at the most
2. From two to five years
3. More than five years
(but I will leave before
I retire)
4. Until I retire

APPENDIX 3: Letter of Introduction

Dear

I am writing to present you with the following subject:

For the last eight years I have been involved in research on Personnel Policies in Multinational Corporations, my main interest being the problems caused by the appointment of expatriate managers to top positions in subsidiaries of multinational corporation. Some of my findings have been published in the California Management Review and in the Management International Review.

I am presently concentrating on the banking industry with a view to finding out whether bank managers who move from their parent country to the host country tend to change their behaviour as a result of their experience in the different culture.

For this purpose, I submit a questionnaire both to expatriate managers already in England and to their peers at the headquarters of the bank in the parent country. I then compare the results of these two groups of managers in order to find out whether it is possible to identify differences in their behaviour.

I am therefore applying to you and I would appreciate it very much if your bank would participate in my Study.

Enclosed, please find a sample of the questionnaire. I would be grateful if you would administer this questionnaire to 20 managers of the highest level (Deputy General Manager, Vice-Presidents, etc) at your headquarters, and I would very much appreciate it if you would return them to me at the London Business School.

As you can see, the questionnaires deal with the behavioural aspects of managers and by no means with any financial aspects of the Bank. All information will be kept confidential and will be used for statistical purposes only and the bank will be given the data for its own purposes.

Please do not hesitate to contact me for more information.

Thank you again for your consideration.

Yours sincerely

Moshe Banai

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