

## THE ADAPTABILITY OF MANAGEMENT MODELS ACROSS CULTURES

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### ABSTRACT

With the emergence of globalization, the transfer of management principles and models and technology between the organizations has become a common practice. This situation inevitably increased in research about the issue of similarities and differences between societies, organizations, nations, and individuals. This article aims to contribute to this line of research by discussing the convergence or divergence of national cultures and related work values. This article suggests that although a degree of convergence occurs in the structure and ordinary practices of organizations, there is little convergence in the thinking, behavior, beliefs, and values of people in organizations. This assumption is elaborated, in this article, by referring to differences in national cultural features in terms of communication, leadership style, motivators, and performance measurement systems. All organizations need to take into account differences in the national cultural features before adapting a management model or principle originated in another country.

**Keywords:** National Culture, Communication, Leadership, Motivation, Performance Management

**JEL Classification:** M14, M16, F60

## YÖNETİM MODELLERİNİN KÜLTÜRLERARASI UYGULANABİLİRLİĞİ

### ÖZ

Küreselleşmenin ortaya çıkması ile birlikte, yönetim prensipleri, modelleri ve teknolojinin farklı ülkelerde yer alan kurumlar arasında tranferi yaygın bir uygulamaya dönüşmüştür. Bu durum toplumlar, kurumlar, ülkeler ve kişiler arasındaki benzerlikler ve farklılıklar ile ilgili araştırmaların kaçınılmaz biçimde artması sonucunu doğurmuştur. Bu makale, ulusal kültür ve iş yaşamı ile ilgili ulusal değerlerin benzeşmesi ve farklılaşmasını tartışarak bu yöndeki araştırmalara katkı sunmayı amaçlamaktadır. Bu makale, farklı ülkelerdeki kurumların yapısında ve günlük uygulamalarında belli bir oranda benzeşme olsa da, bu kurumlarda çalışan bireylerin düşünme tarzları, davranışları, inançları ve değerleri noktasında çok az benzerlik bulunduğunu ileri sürmektedir. Bu varsayım, farklı ulusal kültür özelliklerinin iletişim, liderlik tarzları, motivasyon ve performans yönetim sistemlerine yansımaları ile örneklendirilmektedir. Kurumların farklı ülke kaynaklı bir yönetim modeli ve prensibini kendi kurumuna uyarlarlarken ulusal kültür farklılıklarını dikkate alması gerekmektedir.

**Anahtar Kelimeler:** Ulusal Kültür, İletişim, Liderlik, Motivasyon, Performans Yönetimi

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## 1. Introduction

Globalization has inevitably brought us into closer contact with one another. With the increased interaction of the societies, organizations, individuals and the increasing dominance of multinational organizations in the globalization era, the transfer of management principles, technology, and business systems between the organizations has become a common practice (Collins, 1988). The transfer of these issues has not been limited to private organizations. Government agencies, hospitals, universities, and other public organizations have significantly increased their environmental scanning efforts and have become more open to experiment new management models and principles, and technologies that are used in other organizations, even in other countries to meet the demands of government and society (Eisenberg and Goodall, 1993). These organizations have transferred and adapted many private sector management principles and new technologies which are believed to increase their performance, accountability, effectiveness, and legitimacy (Cullen, 1995). In such an environment, especially, cross-cultural research of organizations increased in volume in terms of understanding to the culture of other societies and nations for the success of social and business interaction and transferability of management models and principles (Tayep, 1994).

Although the common recognition among academics and practitioners that a certain degree of similarities and differences can be found in the culture of different countries which might enable or constraint the transfer of management models, technology, organizational behaviors and practices, the major trends regarding the distinction of national culture is still controversial. Especially, the convergence or divergence of national cultures and related work values has been an important debate to understand the extent of diversity of value systems in different countries and transferability of management models (Ralston et al., 2008). With the emergence of globalization in the past several decades, it is more common to see scholars that support the idea that culture of the countries, structures of the organizations, and behavior of the organizational members are becoming more similar *-convergence-*, while other scholars support that the culture of the countries, structures of the organizations, and the behavior of the members of organizations preserve their dissimilarities *-divergence-* (Adler and Bartholomew, 1992).

Within this context, the purpose of this article is to present: **1)** the discussions on the convergence and divergence of cultures, **2)** the national cultural dimensions **3)** the main national culture values practitioners need to take into account in terms of *leadership, communication, performance measurement* and *motivation* while transferring and adapting management models into another national context.

## 2. Convergence or Divergence of Cultures

Proponents of the convergence approach argue that the globalization has obliged the countries and organizations within these countries to incorporate the

work values [i.e. individualistic work values], management models, and behavior and business systems that are common to industrialized, capitalistic developed countries. Some other researchers in this line of thought examine culture free factors such as, economy and political factors that influence the implementation and transfer of management models and practices. They support the increasing universality of management models and practices across nations (Calori et al., 1994).

Conversely, proponents of divergence approach argue that it is not the economic or other forces, but the national culture that drives values. As such, even if a country accepts the capitalism and its institutions, the values and beliefs of the people in the organizations will remain mainly unchanged (Ralston et al., 2008). The scholars who support the tendency toward the convergence of cultural differences trace mainly their arguments to the comparison of structural aspects of organizations (Lorens et al., 2005). However, as suggested by Redding (1994: 336), although a degree of convergence occurs in the structure of organizations and ordinary practices of business life, there is little convergence “in the realm of the mind; the field of beliefs and values”. Similarly, Tayep (1994: 440) suggests that a degree of convergence occurs in dealing with financial incentives and some structural aspects of organizations as a response to similar task environments and pressures. However, a real understanding of organizations require going beyond the structural configurations in a way that takes into account the philosophy, the relationships, processes which lie behind these configurations. In this regard, Tayep (1994: 440) contends that:

A high degree of centralization viewed in isolation means nothing other than that many decisions are taken by a few managers at the top of the organizational hierarchy. It does not reflect the amount of consultation and information exchange that take place before the decisions are made. The degree to which consultation and information exchange occur depends on the managers’ philosophy, on their trust in the employees, and on the latter’s ability and willingness to participate in the decision making process, in short on the behaviors and relationships of members of the organization with one another within the workplace.

All these relationships and processes including power and authority relationships, motivation, control, discipline and performance, uncertainty and risk-taking behaviors, communication, and participation are related to culture based value system and attitudes that were learned within the social environments in which one grew up and learned throughout his life (Schneider, 1989).

In a similar vein, the prominent scholar of cross-cultural research, Hofstede (1980), is in conflict with the any assumption of a convergence between the countries for two main reasons. The first is the unique history and configuration of institutions [i.e. family, education, religion, and media] that distinguish a country from another one. The second is the symbolic value of being a citizen of a country (Mueller, 1994). It becomes a part of people’s personal identity by which individuals

create the perception of belongingness to a collective, such as a nation, religion, gender, and race (Scott et al., 1998). As such, nationally specific cultural factors become a part of personal identity and thus, shape the thinking and behavior of people in organizations (Hofstede and Hofstede, 2005).

A whole body of research shows the existence of divergence of culture and value systems among the nations (Calori et al., 1994). This assumption is critical for organizations which certainly interact with economic, social, political, and cultural aspects of the wider society in which they operate. It calls particular attention to the link between the management practices and the culture of wider society the organizations inhabit. It follows that, any study that attempts to analyze the management models, management styles and policies, leadership styles, communication practices, organizational structures, and control and performance mechanisms that are common in the organizations of a particular country should explicitly acknowledge the various associations between organizations and the national cultural features that are salient in that society (Collins, 1998). Based on the assumption of divergence of cultures and the link between the organizations and the national cultural features that are salient in that society, Hofstede and some other scholars argue that the USA or Western management concept are not universal and the distinct features of the cultures may limit the degree of adaptation and transfer that is possible (Adler and Graham, 1989).

These national cultural features can be best observed by looking at the leadership styles, communication principles, motivation and performance measurement systems. In the following section, this article presents national culture dimensions of Hofstede and then how leadership styles, communication principles, motivation and performance measurement tools depend on these dimensions.

### **3. Understanding National Culture**

National culture is defined by Hofstede as (1980: 43), “the collective programming of the mind that distinguishes the members of one category of people from those of another”. When we speak of the national culture, “culture refers to the collective mental programming that these people have in common; the programming that is different from that of other nations” (Hofstede, 1980: 43). As briefly discussed, comparative management literature challenges the idea that organizational theories and practices are universally applicable and points out national cultural features that play significant role in shaping employee’s behaviors, perceptions, and reactions to organizational practices and models (Schneider, 1989).

National cultural practices and values are transmitted through formal and informal means of socialization beginning from childhood and continue through adulthood. The history, economics, religion, geographical location, education, and language as well as legal and government systems influence the evolution of a specific culture and play a considerable role for national distinctiveness in the

perception and reaction of people in organizations between countries (Kedia and Bhagat, 1988).

Based on this assumption, cross-cultural research aimed to provide national cultural dimensions that show similarities and differences across cultures which might help managers to see more clearly in what ways cultures change across nations, where and to what extent management theories and models developed in one country are likely to apply elsewhere, what to consider and how to adapt management models and theories in a way to achieve the desired organizational outcomes (Smircich and Calas, 1987).

In such an effort, many scholars tried to provide a framework or theory to understand cultural diversity and dimensions across countries with their implication on organizations. However, until the emergence of Hofstede's dimensions, the cross-cultural research has suffered from lack of any agreement as to how to frame the cultural differences and similarities across nations. After a survey that targeted the employees of a multinational organization (IBM) in 50 countries, Hofstede (1980) provided a widely accepted framework for studying and understanding national culture differences. This survey was adapted some other countries in the following years. Hofstede assumed that a survey of employees in different countries doing the same work in the same multinational organization who share very similar education level, background, and career except for their nationality will provide the basis for cross cultural comparison and as such, cultural differences at national level. He basically focused on the relation to authority, ways of dealing with conflicts, appropriate leadership styles, motivators, and performance orientation all of which are culturally conditioned, reflects the cultural environment, and affects planning, control processes, decision making, and participation (Hofstede and Hofstede, 2005).

Although Hofstede's work has been criticized for the representativeness of the sample (a single multinational organization), reducing culture to very simplistic four and five dimensions, ignoring some regions such as Africa, ignoring the change of culture over time, subcultures, and cultural differences within the country, and finally overlooking the meaning and context of organizational practices, it is still the most popular framework due to its relevance to practitioners, usefulness, clarity and parsimony (Kirkman et al., 2006). These cultural dimensions are '*power distance, individualism/collectivism, uncertainty avoidance, masculinity/femininity*'. He later added the fifth dimension, '*long term/short term orientation*'. In the remaining sections of this study, as the main framework of this study, all these national cultural dimensions and the reflection of these dimensions in the areas of motivation, leadership, communication, and performance measurement will be addressed.

#### **4. Hofstede's Cultural Dimensions**

##### **4.1. Power distance**

The first dimension identified by Hofstede is power distance which has important implications in the structure of an organization and perceptions and practices of organizational members. Power distance represents the nature of relationship between managers and employees and the source of power in these relationships. It deals with the degree of social inequality between different countries. The countries are rated as high and low power distance based on the measurement of people's perception and expectancy of the degree of inequality in society, the distance between those with power and those with little power (Collins, 1988). Hofstede (1980) operationalizes power distance based on the frequency of the fear of disagreeing with a manager and employees' perception of their managers' actual decision making style [i.e. boss autocratic or paternalistic style].

In high power distance countries, employees accept inequality between superiors and subordinates as a natural part of the organizations and the structure is organized accordingly. The superiors in organizations deserve special privileges, status, wealth, and power. Superiors have a tendency to try to look as powerful as possible and make use of coercive and referent power to make things done. At the same time, they are expected closely monitor the activities of subordinates and centralize power as much as possible in a few hands. Employees are less likely to prefer a consultative manager. As stated in Hofstede and Hofstede (2005: 25), the general reaction of employees is as follow: "he is the boss why does not he tell me?"

In contrast, the members of low power distance countries support equal rights and equality, status, a certain degree of autonomy and discretion of subordinates and expect and stress on the reward, legitimate, legal, and expert power. Superiors and subordinates are considered to be existentially equal in many respects. There is a preference for consultation. The basic signs of this equality are being accessible, having equal rewards, the use of the same parking lot, cafeteria, and so on (Hackman and Johnson, 2004).

##### **4.2. Individualism v. Collectivism**

Another highly articulated cultural dimension of Hofstede is individualism versus collectivism which makes a distinction between cultures in terms of the beliefs about individuals or groups. This dimension represents a calculation over the extent to which any particular society is marked by individualism or by social cohesion (Hofstede and Hofstede, 2005). The basic indicators of individualistic countries are the tendency for the loose ties between individuals, the expectation that individuals need to take the responsibility of their own life and take care of the needs and interests of themselves or their immediate family. People are identified as individuals, independent of others rather than a member of a group. As such, the individuals attach more importance to their own preferences, needs,

interests, rights, and goals than the goals and interests of others and emphasize rational analyses of the pros and cons while associating with others (Awasthi et al., 1998).

Collectivist countries, on the other hand, emphasize high degree of social solidarity, group identity, and cohesion. The individuals see themselves as parts of one or more groups such as an extended family, groups, organization, nation, or social networks and make decisions on the basis of their connection to these groups (Hackman and Johnson, 2004). As such, individuals in collectivist countries view the group interests and goals more important than individual interests and goals. They subordinate their personal goals in favor of the goals deemed important by their groups. Individualistic cultures emphasize personal time, freedom, challenge, personal goals, and responsibility, whereas collectivist cultures stress on the values of social relatedness, group membership, collective responsibility, interdependence, conformity, and interpersonal harmony (Collins, 1998).

#### **4.3. Uncertainty Avoidance**

The third dimension of Hofstede, uncertainty avoidance, deals with the extent to which people feel uncomfortable, threatened by uncertainty, ambiguous or unpredictable situations and the degree of avoidance from ambiguity by following strict codes of behavior, plans, procedures, and rules (Newman and Nollen, 1996). The cultures are classified as high uncertainty avoidance and low uncertainty avoidance cultures based on their stance to uncertainty. Hofstede and Hofstede (2005) operationalize the uncertainty avoidance based on the frequency of feeling nervous or tense at work and the intent of employees to stay with the company for a long time and rule orientation (stick to rule even if it is not best interest of the company). High uncertainty avoidance cultures are characterized by the availability of excessive, obvious routines, rules, and regulations that help society coping with uncertainty and avoiding from risks and any unpredictable situation (Collins, 1998). The individuals in these countries consider uncertainty as a threat and show less tolerant of alternative ideas. They face high stress, believe in the benefits of written rules, seek security, and finally attach considerable importance to the views and directives of experts and authorities. There is an emotional need for rules in these countries even if these rules will not work.

In contrast, low uncertainty avoidance cultures seem noticeably untroubled with ambiguous, uncertain situations as they accept uncertainty as a fact of life. They face less stress, tend to be more tolerant, not naturally punctual, trust more on their own judgments and common sense rather than experts and authorities, and finally more relax about change, innovation, and alternative ideas (Hackman and Johnson, 2004). That's why; they are less concerned about the rules and even find too many rules and regulations disturbing and unnecessary.

#### **4.4. Masculinity v. Femininity**

The fourth cultural dimension of Hofstede deals with the gender roles in the societies. The countries are classified as masculine cultures and feminine cultures in terms of the role assigned to sexes. In countries with high masculine ratings, the roles assigned to genders are separate. In these countries, males are expected and thought to be tough, decisive, strong, ambitious, and assertive, whereas females are supposed to be more modest, tender and concerned with the quality of life and taking the responsibility of interpersonal relationships and the family. There is greater emphasis on the material success, achievement, and challenge in masculine cultures (Hackman and Johnson, 2004). Hofstede and Hofstede (2005) call these countries as performance societies in which earnings, achievement, recognition, advancement, and challenge are rewarded values.

In feminine oriented countries, gender roles overlap. Neither sex is expected to be competitive, ambitious, or assertive. There is stronger emphasis on the equality of men and women and both men and women are expected to show a degree of modesty, cooperation, and interest for the quality of life and security, interdependence, and intuition (Collins, 1998).

#### **4.5. Long Term Orientation v. Short Term Orientation**

Time orientation was not among the national cultural dimension of Hofstede in his first study, but based on the results of the study of Michael Bond and his colleagues from the Asia-Pacific region, a fifth dimension was added. This dimension specifically deals with how people view the past, present, and future and the degree of short-term or long-term approach to life and to the problems of life in any particular country. The emergence of this dimension is related with Confucian values which include perseverance, thrift, having a sense of shame and ordering relationships by status. All of these values still have an important influence in China and on other countries in the Far East (Hofstede and Hofstede, 2005).

On one hand, cultures with a short time orientation (STO) focus on the past and the present, preservation of face, fulfilling social obligations. STO cultures tend to demand quick results and concern for traditions, social and status obligations. In contrast to Long Term Oriented (LTO) cultures, STO cultures attach less importance to persistence and have a tendency to spend freely and have lower savings rates with a sense of immediate gratification. On the other hand, cultures with a long time orientation stress on norms and behaviors that lead to long term benefits, in particular perseverance and thrift over quick benefits. They are characterized by above mentioned Confucian values such as persistence, perseverance, saving money, feeling of shame, and respect for one's elders and status relationships. For instance, there are clearly defined and respected relationships between teacher and student, manager and employees. They also believe that social obligations and traditions are important and should be respected and feeling of shame emerges from violating these social traditions and contracts. They also emphasize that there is a need to

adapt these traditions in accordance with the needs and conditions of modern world (Hofstede and Hofstede, 2005).

## 5. National Culture Dimensions and Management

These five dimensions of Hofstede have certain implications on the organization. Specifically, the practitioners need to take in to account the implication of these dimensions on performance measurement, motivation, leadership style and communication because all these issues are very likely to be part of the management models that will be transferred from another country.

### 5.1. National Culture and Communication

The study of Goodman (1994) pointed out some of the culturally influenced communication preferences within the organizations. One of them is the preference for either directness or indirectness. In the highly individualistic cultures, there is a preference for directness. In other words, direct and clear communication is preferred which is illustrated by the sayings; “say what you mean; don’t beat around the bush; get to the point” (Goodman, 1994: 205). Based on politeness theory that theorizes the underlying axioms of direct versus indirect communication style, the basic reason for this preference is related to face demands within the communication. As indicated before, the cultures change in their expectation of face work. For instance, in collectivist cultures, leaders avoid from direct confrontation with their subordinates and adapt more subtle and indirect ways of communication due to the strong desire for the maintenance of public face. The preservation of one’s face is something expected in social relationships to protect social harmony of the group. That’s why; managers try to maintain the appropriate relational tone of closeness and consideration while directing or criticizing their subordinates (Dorfman and Howell, 1997).

In contrast, in high individualistic cultures, the ability to communicate bad news is considered key skills for a successful manager (Hofstede and Hofstede, 2005). It is more applicable for managers in individualistic cultures to confront more directly with the poor performance and conflicts of employees. As a reflection of this, individualistic cultures put more emphasis on open and clear communication as the essence of the confrontation with problems. In this regard, Hofstede and Hofstede (2005) calls individualistic cultures as guilt cultures, while they call collectivist cultures as shame cultures due to the possibility of loss of face in the sense of humiliation in times of the direct confrontation with their performances and conflicts.

In a similar vein, in high uncertainty avoidance countries, there is expectancy for more clear and precise communication and clarification of tasks in the communication. In low uncertainty avoidance countries, ambiguity is more likely to be accepted as a part of organizational life. The assumptions of Eisenberg (1984) regarding the use of ambiguity strategically in organizational communication are more likely to be supported in low uncertainty avoidance cultures.

In addition, the power distance has certain implications in the preference of communication. In high power distance countries, the relationship of employees and managers is characterized by strong sense of hierarchy and high formality of communication. Employees are mostly reluctant to communicate with their managers and openly and directly criticize or challenge their decisions (Martin, 1995). There is a tendency to confirm the authority. Even when they communicate, communication is dominated by the managers. Employees are likely to be not very relaxed and open in their communication with managers. As such, the management models which require subordinates to be able to sufficiently independent to negotiate meaningfully with their managers does not fit well in high power distance cultures (Hofstede and Hofstede, 2005). In these countries, organizational members use a language that indicates the relative status of communication illustrated in their word choices, forms of address, turn takings, and nonverbal preferences. In low power distance countries, in spite of certain limitations, the employees perceive a freer and more open climate to express their opinions and doubts about certain policies and decisions of managers (Witherspoon, 1997).

In every culture, there is a balance between the task and relational dimension of communication. It is a main consideration for organizational members not only what to say but also how to say it to balance the closeness and distance, imposition and respect (Goodman, 1994). The importance given to each dimension depends on the cultural orientation of the country. In masculine cultures, the managers attach more importance to the task dimension of relationship, while feminine cultures put more priority to relational dimension of communication. To prioritize relational aspects of communication is regarded as necessary to build consensus and close cooperation needed to manage organization effectively. In high power distance countries, managers and employees prefer to maintain more distance, while there is a preference for more closeness in low power distance cultures.

## **5.2. National Culture and Performance Measurement**

Performance measurement systems are influenced by the culture of the organization and society in which organization operates. When managers use performance measurement systems that are consistent with the national cultural values, beliefs, and assumptions of employees, these employees are more likely to feel satisfied, comfortable, and committed to the organization that influence the ability and willingness of them to perform well (Newman and Nollen, 1996).

An emphasis on individuals' self-interests is cited as an important aspect of management models and practices in individualistic countries with certain implications on the preference for individual versus team based performance evaluation and rewards. For instance, other things being equal, organizational members in individualistic countries expect material rewards that honor individual efforts, derive satisfaction from performance based on their own achievements, and thus prefer performance measures and rewards based on individual performance.

Based on this assumption, Newman and Nollen (1996) stated that pay for performance models are more popular and work better in the individualistic countries. Collectivists, on the other hand, gain satisfaction and feeling of accomplishment from group outcomes and prefer team efforts, rewards, and team based performance measures and rewards. That's why; quality circles which are widely used and effective in Japan have not provided the same performance results in the USA despite no lack of trying (Newman and Nollen, 1996).

On one hand, managers in collectivist cultures prefer more subtle, indirect ways of feedback for the performance of employees because discussing the performance of a person directly is likely to break social harmony in the group. On the other hand, it is more applicable for managers in individualistic cultures to confront more directly with the poor performance and conflicts of employees. As a reflection of this, individualistic cultures put more emphasis on open and clear communication as the essence of the confrontation with problems.

In terms of the power distance, Newman and Nollen (1996) found that different forms of participative management are positively related to performance in the USA, but not in Mexico. More authoritarian management practices are more effective in the performance of employees in Mexico. In other words, managers' efforts to support employee participation might improve the performance of employees in countries with a culture of low power distance, but it is not the case in countries with high power distance. In another study, Jaeger (1986) contended that team building efforts are not effective in high power distance countries. The differences regarding participative management and team building are related with the perception of inequality among the employees which certainly influence their level of stress, conformity, and confidence when they interact face to face in a group.

Related with uncertainty avoidance, it is argued that employees in high uncertainty avoidance countries perform better in situations where rules and directions are well defined (Newman and Nollen, 1996). Masculine and feminine orientation of cultures has also important implications in the preference of performance measures. The expectation of employees in a masculine culture for merit-based opportunities for high earnings, recognition, advancement, and rewards may result in employees to perform better (Jaeger, 1986). These masculine cultures are even called '*performance cultures*' by Hofstede. Feminine countries put a higher priority on the quality of life. In such a background, the employees stress on the cooperation, good working relationships, caring values, security, and quality of working condition for better performance, as shown in countries such as Denmark and Sweden (Collins, 1998).

Finally, a short term approach to problem solving, short term benefits, and a small sense of employment security may increase the performance of short time oriented cultures (Newman and Nollen, 1996). LTO cultures emphasize the

importance of long term thinking, long term employment and solving problems and support long term planning, development and managerial perseverance as illustrated in Japan organizations which requires sacrifice from short term, immediate benefits (Newman and Nollen, 1996). The values of LTO cultures such as persistence and thrift lead to savings and the availability of capital which, in turn, support entrepreneurial activity (Hofstede and Hofstede, 2005). Therefore, transfer of performance measurement systems require understanding and taking into account the differences between cultures and adjust and adapt them accordingly.

### **5.3. National Culture and Motivation**

Cultural aspects of a society influence people's evaluation of work and motivational factors. There are a number of studies that support the fact that national culture plays an important role in determining what motivates people (see Adler, 1983; Fey, 2005). Due to social, economic and cultural differences between the societies, the importance given to certain motivational factors and the structure of those needs change significantly.

For instance, Huang and Vliert (2003) argued that in poorer and collectivist cultures, intrinsic factors (high order needs) such as challenge, recognition, achievement, autonomy, self-actualization, and the work itself are less closely related to motivation, while extrinsic factors (low order needs) such as pay, job security, and working conditions are more closely linked with motivation. In other words, employees in collectivist countries are motivated more by the extrinsic aspects of their jobs than employees in individualistic, while employees in individualistic cultures value intrinsic factors more than the employees in collectivist cultures. The results of the study conducted by Fey (2005) provided support for the hierarchy of needs shaped by cultural as well as economic and social aspects of each nation. For instance, he contended that Russian managers are motivated more by salary increases and having bonuses as part of their compensation, while Swedish managers, who have their basic needs met, are motivated more by having a quality working environment. Similar assumptions can be raised for employees and managers in any country where people are concerned with trying to satisfy lower level needs like food, safety and security.

There are also distinctions between countries that can be classified within similar economic and social scale. In the comparison of the USA and Austria, Hofstede (1980) found that the employees in Austria have a much stronger inner feeling of obligation to society which is reinforced by the country's relatively low level of individualism, while self interest takes a primary role to explain the behaviors of the employees in the USA known with its high individualistic culture. As such, equity that put priority to the rewards based on individual performance motivates employees in the USA more than rewards based on team performance. The problems emerge when there is a perception of unfairness in the distribution of rewards based on individual performance.

In high uncertainty countries, supportive leadership and providing precise instructions, goals, and feedback motivate more as they meet the employees' strong need for uncertainty reduction. As stated in goal setting theory, developing clear, effective, specific goals or providing detailed and frequent feedback might be more motivating in these countries (Eisenberg and Goodall, 1993). In general, security, esteem, or belonging are better motivators for organizational members in high uncertainty avoidance countries. Managers in low uncertainty avoidance countries are more open to organizational change efforts and willing to take risks. Achievement is a strong motivator for the organizational members in these countries (Hackman and Johnson, 2004).

In masculine cultures, organizations are designed with an expectation that people live to work and material success and progress is the driving force. As a result of this expectation, organizations have a tendency to be competitive places where assertiveness, challenge, recognition, and toughness are rewarded values. In feminine countries, the preferred values in organizations are negotiation and cooperation rather than assertion and competition (Hofstede, 1980)

In terms of power distance, Huang and Vliert (2003) stated that there is a much stronger link between managers' feedback and work performance in the USA compared to UK which is attributed to the smaller power distance culture of the USA. In compatible with the importance given to participation, autonomy in small power distance countries, recognition of good work, a degree of autonomy, empowerment, and feedback of managers are more likely to be accepted as desirable intrinsic rewards that increase the motivation and performance, while these are more likely to be regarded as less undesirable, unnecessary even manipulative in high power distance countries. However, Fey (2005) claimed the opposite regarding the role of feedback in high power distance countries. He suggested that employees in high power distance countries are more likely to appreciate the feedback of managers as a way to attain legitimacy to their work which is not the case in low power distance countries where responsibility is spread more equally within organizational members. In addition, the equity is regarded as less important in high power distance countries where people take social inequality for granted. For instance, Swedish managers are motivated more by perceived equity of rewards compared to their peers, while this was not the case in the Russia where people face inequity in every parts of their life (Fey, 2005).

Therefore, it would be fair to say that national culture plays a significant role in determining the conditions for motivating people that need to be taken into account when transferring USA or Western oriented motivation theories.

#### **5.4. National Culture and Leadership**

Burns (1978: 2) stated that "leadership is one of the most observed and least understood phenomena on earth". It has been defined in many different ways based on different leadership models and theories. But a common definition of leadership

is given as “the ability of an individual to influence, motivate, and enable others to contribute towards the effectiveness and success of the organization of which they are members” (Koopman et al., 1999: 507). In recent years, there is a growing awareness that “there is no single prescription for leadership excellence that ensures success across [countries], contexts, organizations, and circumstances” (Ruben, 2006: 2). Some set of leadership competencies will always be important regardless of the society, organization and situation. However, when we consider leadership specific to particular country or organization, we need to take into account the culture of the country where the organization operates in addition to context, history, culture, and structure of that specific organization.

As suggested by Hofstede (1980), leadership prototypes and theories reflect the dominant culture of the country in which they are found, developed and implemented. Hofstede and Hofstede (2005: 268) say that “asking people to describe the qualities of a good leader is a way of asking them to describe their culture”. In other words, the evaluation and meaning of leadership practices, expectations of followers on how leaders should act and leader’s perception of appropriate behavior may strongly vary across cultures (Witherspoon, 1997). Thus, a number of studies have focused on the influence of national culture on the leadership and the transferability of specific leader behaviors and processes across cultures.

In the GLOBE study that looks at what particular leader behavior is most effective in different cultures, it is argued that power distance has important implications in the leadership styles. In terms of the structure, power distance influences the amount of formal hierarchy, the degree of centralization, and the amount of participation in decision making (Newman and Nollen, 1996). For instance, the emphasis given to hierarchies, centralized power system and decision making is much greater in high power distance countries (Child and Kieser, 1981).

In high power distance countries, there are a lot of supervisory positions and there is a wide gap between the salary of managers and employees. The nature of leadership between leaders and subordinates are shaped by the perception of inequality of power and status and the compliant role of subordinates. Dominance and strong displays of power might be appropriate for leaders. As such, authoritarian, directive, strong leadership styles can be considered more effective and appropriate for these countries (Koopman et al., 1999). The subordinates are not mostly willing to take initiatives and questioning the policy of the leaders. They expect leaders to tell them what to do [i.e. the boss says so]. The relationship is characterized by strict hierarchy and high formality (Olie, 1994). The belief in authoritarian, strong, directive leadership style reinforces the tendency to maintain distance and not to share managerial decision making with subordinates. A leader’s focus on asking suggestions and inputs from the subordinates might be interpreted as a weakness. Thus, management models like Management by Objectives (MBO) and participatory management models are not relevant as they assume some form of negotiation and

consultation between subordinates and superiors and participation to decision making that neither party will feel comfortable with (Tayep, 1994).

In contrast, the basic idea in low power distance countries is that hierarchy means an inequality of roles, just established for convenience, and the number of supervisory positions should be limited and rewards should be distributed equally (Hofstede and Hofstede, 2005). In low power distance countries that emphasize the equality of leaders and subordinates, a democratic, participative leadership style that relies on consensus building and cooperation can be more appropriate (Puffer et al., 1997). Hofstede (1980) argues that managers more easily adapt to high power distance cultures and learn that they need to be directive and autocratic to be effective, and tend to do so, but it is more difficult for managers to move in low power distance countries that put high priority on democratic decision making, consensus and equality of workers.

Dorfman and Howell (1997) pointed out the critical role Confucianism play in determining the relationship between leaders and subordinates in Japan which is known with its high power distance and collectivist nature. Confucianism requires the respect and obedience to elders, status relationship, and harmony. While subordinates have a tendency to show respect and obey the directives of leaders, leaders are encouraged to help and care them even by involving their personal lives. Thus, both directive and supportive leaderships may have a positive impact on countries with high power distance and collectivism. Similarly, the employees in China prefer a leadership style where the leaders maintain a harmonious considerate relationship with followers while being directive. In these collectivist cultures shaped by the Confucianism, preserving one's face in front of others is something expected in social relationships. Thus, leaders mostly do not criticize the subordinates directly in front of others and use a considerate language to protect the face of those being criticized which is essential for the harmony of the group (Dorfman and Howell, 1997). All these aspects of collectivist, high power distance countries certainly do not fit well for participative leadership styles that emphasize asking followers for suggestions and feedback and giving consideration to followers' inputs.

In high uncertainty avoidance cultures, there is a reliance on excessive rules and regulations, formalized policies and procedures through which uncertainty is managed in organization (Schneider, 1989). In such an environment, employees may expect the leaders to reduce uncertainty by detailed and frequent feedback about their task, precise answers, and clear-cut tasks. Therefore, supportive, task-oriented, and directive leadership are preferred in high uncertainty avoidance cultures. In masculine cultures, charismatic, strong, and directive leaders are more likely to be successful, while there might be a preference for more consultative, considerate, relation-oriented leaders in feminine cultures (Koopman et al., 1999). In masculine cultures, the role of leaders is dramatized. In contrast, feminine cultures believe in modest leaders, and consensus

building through informal and personal relationship is essential for the success of the leaders (Hofstede and Hofstede, 2005).

Hofstede (1980) illustrates the implication of cultural differences on leadership with a package management model called management by objectives (MBO). This model requires that subordinates are independent enough to negotiate meaningfully with their managers (low or moderate level power distance), willing to take risks (weak uncertainty avoidance), and finally, willing to perform better (high masculinity). By discussing each presupposition, he explained the reasons why and in what ways this model fits the culture of the USA and why it does not work in countries with different cultural features. For instance, as the workers in the Germany, a high uncertainty avoidance country, are not willing to accept risks and ambiguity that will arise as a result of this management model, MBO does not fit to this country. Therefore, it would be fair to say that leadership practices and models are culturally conditioned and must be adapted to the organization and cultural features of the society in order to be affective.

## **6. Discussion**

The argument and examples stated in this study do not ignore the important role that other macro factors [i.e. social, economic, political conditions] and organizational factors [i.e. structure, size, leadership, technological infrastructure, human capital, and other resources] can play in the practices of the organizations and transfer of the management models. Rather, the argument sheds light specifically on the influence of national culture. National cultural practices are transmitted through the formal and informal means of socialization beginning from childhood and continue through the adulthood. The history, economics, religion, geographical location, education, language as well as legal and government system influence the evolution of a specific culture, thus set the background of the cultural differences among countries. All these institutions produce and reproduce the dominant national cultural values, norms, and beliefs within a specific country and all these cultural values become the main source of culture for people in that country. These cultural values are believed to play a considerable role for the national distinctiveness in the perception and reaction of people in organizations across countries.

It also should be noted that differences in perception and thinking of employees and organizational practices are not solely the reflection of these national cultural differences. National, geographical, industrial, occupational, departmental, and ethnic culture cross cuts the organization. As such, it is not only cultural variations across nations that are involved in the transfer of management models, but also idiosyncratic combination of societal, organizational, occupational and individual culture differences influence the implementation of management models and success of transfer (Mueller, 1994). In other words, all organizational practices are not only influenced by national culture, but they also evolve in the organization depending on the characteristics of

individuals (mainly leaders), cultural aspects of geographical region, industry, organization, and occupation.

Although all these layers of culture have certain influences on organizations that set them apart from other organizations, it has been argued that national culture has a greater influence on employees than does their organization, industry, or occupation's culture as national culture values are learned beginning from the family and school (Hofstede, 1980b). However, organizational culture is acquired only after one enters an organization. As such, Hofstede and some other scholars find the organizational culture more superficial compared to national culture values. In addition, when it comes to the transfer of a management model to another country, the national culture differences become the most critical consideration for the success of the management model.

Technological tools may be adapted more easily and transferred with little or no resistance to different countries due to its open benefits, less distraction in the system, the unexpected influence in the routines and positions of the workers, and common schemes that favor the usefulness of technological products. In contrast, management models, which need to be implemented in a process by changing the structure of the organization, routines and positions of employees, cannot be transferred without considering the national cultural aspects which are likely to influence the interpretation and appropriateness of the model. Therefore, it is important to understand the ways management model fit into the national cultural features and transferability of management models across cultural boundaries. These cultural features inevitably influence the capabilities, practices, and responses of organizations and organizational members that operate in different national contexts. As suggested in this article, an organization may not be responsive to the need for organizational change since it may be legally and politically difficult to enforce or the level of commitment and performance needed for the change may not be acceptable in some cultures. Then, if we want to understand why organizations respond the same managerial model differently, we need to look at institutions, and the external environment as well as national cultural features.

Even though the need to recognize the cultural differences in the adaptation and transfer of management models has become a cliché in the study of cross-cultural research, the implications are often overlooked in organizational settings, where there is often a tendency to transfer management models without taking into account potential cultural issues. All too often, practitioners see the process of cross-cultural transfer as a simple problem of translating, borrowing, or imitating without giving appropriate consideration to understanding the cultural background and differences between countries in which these management models are developed and those where they are being implemented.

While cross-cultural transfer may be easier between some countries which are close in culture, and in their level of democratization, economics, technological structure, legal and government systems, it is likely to be more problematic in many

other instances, for example between a culture like that of the USA [where greater individualism, competition, masculinity, performance orientation, flexibility, expert power, equality are prized values], and one like of Turkey [where greater value is placed on collectivism, authority and privileges, rigid rules, security, and career stability]. When theoretical issues are overlooked, practitioners and implementers often operate without the benefit of the concepts and understandings they need to be successful. Failures, some of which are avoidable, result.

Therefore, it is important to know national culture differences from both a theoretical and practical perspectives in order to avoid making mistakes by overlooking cultural background of the management models. It is also important to assess successfully the range of modifications needed during the adaptation and implementation process of management models in another national context to deal effectively with the cross-cultural transfer of management models.

### **7. Conclusion**

There is a substantial gap between different countries on the degree of power distance, individuality, masculinity, avoidance from uncertainty, and time orientation all of which has particular effect on our thinking about organization. As detailed in this study, the expectation of followers from a leader in terms of closeness, authority, and support, the expectation of leaders from followers in terms of performance and autonomy, the types and levels of rewards and incentives that motivates the organizational members, the importance placed on open, formal, informal communication, and preference for team work versus individuality may vary cross-culturally. Within this context, management models that suggest a certain kind of communication, leadership style, motivators, and performance measurement need to be adapted considering the differences in national culture values.

It should be noted that even the world becomes smaller through the improved transportation, communication and technology as well as increased economical dependency in the globalization era, differences in culture are still powerful. The distinct features of the cultures inevitably compel the practitioners and academicians to take into account the dimensions of the cultural differences in order to assess the possibilities of adaptation and transfer of management models to another country and determine the efficacy of such a transfer (Kedia and Bhagat, 1988). Even similar organizations within industrialized Western countries cannot easily adapt or transfer a management model or organizational innovation because of cultural differences (Fairchild, 1989). Today, more and more scholars support the idea that some management models and structures can be put in place, but they need to be compatible with culture of the country or need to be adapted in accordance with the culture of the country to be effective (Redding, 1994).

Therefore, it is possible to suggest that to understand or to effectively transfer management models from one society to another, change agents or managers first need to understand the management models in terms of their level of complexity and

influence on the routines and positions of the organizational members. If applicable, then they should examine the experience of other organizations that have attempted to adapt similar management models. Finally, they need to focus on the national cultural values that set the background of management models in that country and take into account national culture differences during the transfer, adaptation, and implementation of these management model and principles.

At this point, we should also be skeptical for any oversimplified, static and the practical advice which fails to provide a theoretical background. Superficial level of advice or analysis makes people claim wrong assumptions about the adaptability of the management models in different organizational settings. For this reason, change agents seek for rich, in-depth, dynamic, and contextual understanding of cultural differences that go beyond the superficial analysis. Such an approach is more helpful as it enhances our understanding of the cultural differences, allows practitioners to make a good comparison between organizations and countries, and increases the likelihood of a successful adaptation and transfer of management models.

This article attempted to increase our understanding of the applicability of management models across cultures by examining the cultural differences in leadership styles, motivation, communication principles and performance measurement tools. It is clear that a thorough analysis of national culture is essential to develop a deeper understanding of cultural issues with their implications on organizations and to get a realistic assessment of transfer and adaptation of management models.

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