THE GLOBAL PERFORMANCE PROJECT

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THE GLOBAL PERFORMANCE PROJECT: EMPIRICAL FINDINGS AND TENTATIVE CONCLUSIONS FOR GLOBAL COMPANIES

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Empirical results from 242 Austrian, French, German, Spanish, Swiss, and US-American companies on management and organizational behavior are compared and interpreted in terms of cultural influences. On one hand, it proves to be critical for success that companies in different countries focus on juxtapositional universalistic practices. On the other hand, however, it is necessary that companies intensively concentrate on specific national characteristics in different countries to reach a fit between management system and national culture. This paper presents a first cross-analysis of the data.

It is widespread knowledge that cultural characteristics are generally taken matter-of-course and do not need any substantiations. The perception of cultural differences only grows out of the contact between cultures and the confrontation with unfamiliar patterns.

According to this, managers intending to be successful in their home markets usually tend to neglect the question of own national culture within their considerations. Although sometimes referring to selected national values, they do not analyze the whole system of national culture. In addition, it is typical that cultures with a drive to universalize like the American culture (Hampden-Turner and Trompenaars, 1993) believe any universal code of management possible and again neglect own cultural particularities. This is very dangerous: In reality, managers then act according to the culture-free approach which points out that cultural issues have only minor influence on managerial decisions. But managing any company in one's home market is as culture-bound as managing a foreign subsidiary.

The implication for strategic behavior is that independent of the perspective, the fact has to be considered that cultural characteristics of the country are underlying the business system. Thus, both national and foreign managers have to understand exactly "how the country works" to be able to reach a fit between the corporate strategies and the situational environment.

Empirical research on this subject is mainly covered by the field of international management (Stopford and Wells, 1972; Adler, 1986; Porter, 1990; Stichweh and Lynch, 1992; Richter, Sorkin and Blodgett, 1992; Hampden-Turner and Trompenaars, 1993; Brewster and Hegewisch, 1994), but often with a restricted focus. Our research "Global Performance Project" (GPP) tries to broaden the focus of interest on strategy, structure, systems, national and corporate culture, and HRM as possible factors of corporate success.

BACKGROUND

The project

The empirical "Global Performance Project" (GPP), located at the University of Saarland, Germany, deals with strategic behavior in changing environments. The study mainly covers Austria, France, Germany, Spain, Switzerland, and the U.S.A., as well as five other countries with only few data for comparative purposes. It follows (as described in Scholz and Stein, 1997 in detail) the research tradition of configuration approach (Miller and Friesen, 1984), fit approach (Waterman, 1982; Scholz, 1987), and own empirical research in international management (Scholz, 1993; Scholz and Michels, 1994; Scholz, 1998).

The objective of the GPP is to investigate how far corporate strategy, structure, system, corporate culture, and human resource management are fundamental factors of success in general management and organizational behavior. Are there specific national patterns of behavior of successful and less successful companies, and which universalistic factors of success are existing? And which are the impacts of national history and culture on corporate

performance? The empirical results may lead to implications how firms should cope with differences in several countries and how managers should deal with their stereotypes.

Selected theoretical background

The general model of the study is based on approaches combining the contingency approach (Pugh and Hickson, 1976) with the configuration approach (Miller, 1981). Ghoshal and Nohria (1993: 23) state that "one of the most enduring ideas of organization theory is that an organization's structure and management process must 'fit' its environment." Specific external and internal environmental characteristics have been linked to specific structural characteristics (Chandler, 1962; Mintzberg, 1979) that enhance the effectiveness of the organization.

Although not further developed in this paper, the whole project is based on the configuration approach. Configuration means a number of interdependent characteristics of an organization. These characteristics are found in its strategy, structure, organizational behavior, corporate culture, and in its environment. Empirical studies of Mintzberg and Miller and Friesen (1984) show the existence of such configurations. Successful and less successful companies differ significantly in their patterns of behavior. Similarly, according to the underlying paradigm of strategic fit (Waterman, 1982; Scholz, 1987) only specific constellations of organizational variables lead to long-term success (Venkatraman, 1989; Goshal and Nohria, 1993). This fit has to be produced between the components of a strategy (intra-strategy-fit), the components of strategy and the relevant elements of the system (strategy-system-fit), as well as between the relevant elements of the system (intra-system-fit). To identify these configurations, the pattern approach (Scholz and Josephy, 1984) may be used.

Figure 1 shows the general model of the GPP-research: Influenced by the situation, the variables of organizational behavior, i.e. structure, strategy, systems, corporate culture, and HRM, influence performance. The direction of the arrows is derived from the contingency approach relating the configurations to environmental factors.

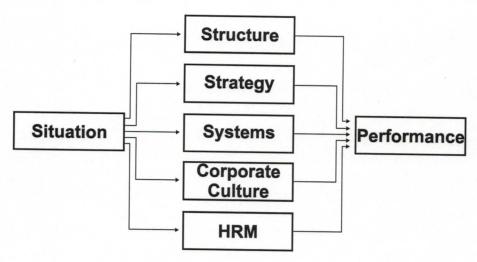


Figure 1. The general model

Of course, this model is based on a broad range of theoretical work. Figure 2 provides an overview about the theoretical background, both referring to the basic work and to the underlying approaches: the situational approach, the culture-bound-thesis, the configuration approach, and the strategic fit approach.

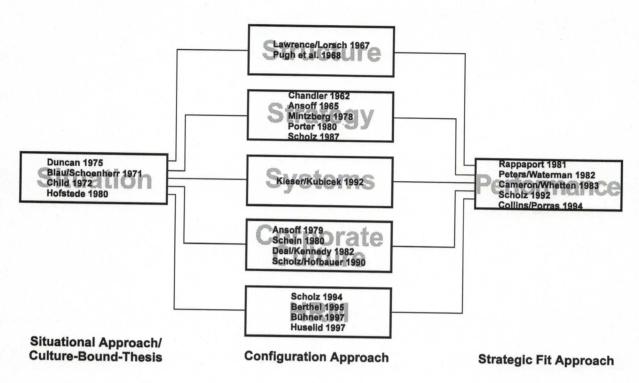


Figure 2. The general model and its theoretical foundation

While the proponents of the culture-free-thesis argue that patterns of organizational functioning are free of cultural influence, because contingencies of scale, technological development and so forth impose a common logic of administration, on the other side the defenders of the culture-bound-thesis stress that different societies exhibit distinct and relatively persistent cultures, meaning, widely shared patterns of thoughts, values, and manners. Empirical research (Scholz, 1993) indicates that culture should be considered an organizational contingency in international business research.

Several studies prove the impact of national culture on all fields of organizational behavior and management (Adler and Ghadar, 1990; Hall and Hall, 1990; Beermann and Stengel, 1992; Trompenaars, 1993; Kavanagh and Scholz, 1994). Hofstede (1980; 1991) develops a systematic approach for the comparison of cultures by finding a measure for national culture. Countries are described in terms of five dimensions, ranked on 100-point-scales: the uncertainty avoidance index describing the avoidance of risk and uncertain situations (UAI), the power distance index defining the extent to which an unequal distribution of power is accepted (PDI), individualism stating the extent of individuum orientation versus group orientation (IDV), masculinity describing the extent of focusing on masculine values (MAS), and long term orientation combined with Confucian values (LTO). The results of Hofstede's study show that countries differ clearly on these cultural dimensions.

As Simon (1993: 141) points it out, "strategic planning is aimed at dealing with the enormous uncertainty and constant change that modern organizations find in the environments to which they must adapt". For practicing managers, it is important to translate the GPP-findings derived from our general model into action. Mintzberg identified two kinds of strategies - intended and realized strategies -, which can be combined in three ways (Mintzberg 1978: 945): intended strategies that get realized (deliberate strategies), intended strategies that do not get realized (unrealized strategies), and realized strategies that were not intended (emergent strategies). To use only universalistic patterns of management strategies for the home market and globalization may lead to a situation where emergent strategies gain too much influence: unintended strategies which become decisive for the whole company,

arising through the employees who act according to their specific cultural socialization and not according to management strategies in case of cultural misfit. this situation may hinder to perform successfully - and thus should be ex ante avoided.

Methodology

To collect data for the GPP, between November 1995 and June 1997, in-depth-interviews between two and five hours length were conducted in several countries by members of the GPP-team. These members are researchers from different countries with different academic levels (ranging from doctorates, post-doctorates and full professors), and with different disciplines (from business administration to psychology and sociology). The differences between the members helped to broaden perspectives, stimulate creativity, new ideas, and a sound methodology (Witte and Zimmermann, 1986; Hauschildt and Grün, 1993).

Very important to the methodology was the choice and training of the interviewers. It is a central idea of this research project that all data were collected under extremely similar conditions. The standardization of the prerequisites covers that exclusively members of the GPP-team conducted the interviews. They were trained not only in respect to the interviewing process, but also had (except for the Greek contribution of n=2) the same consistent theoretical frame in management theory. This frame covers the ideas of strategic management (Scholz, 1987), strategic human resource management (Scholz, 1994), and strategic organization (Scholz, 1997).

This standardization allowed that the researchers from different nations used the same system of terms and language. However, they were country experts for their own countries who could integrate their special culture-bound hypotheses for each country into the overall frame of research.

There was no specific focus on selected industries. The unit of analysis was the whole company, as long as it was member of the top-100 companies in the respective countries, but neither a holding nor a conglomerate. The interviewees were members of top management level, most of them heads of the organization and HRM department. They answered the standardized 34 page questionnaire with reference date 1994, resulting in 915 variables for each company. The interview guidelines, based on previous international studies (Scholz, 1993; Scholz and Michels, 1994; Scholz, 1998) and pre-tested, were semi-structured with open questions to allow for responsiveness to specific conditions and data. Both questionnaire and interviews were first designed in English and then translated. Translations of the instrument were re-translated before using them to ensure the cross-cultural reliability.

The international sample consists of 242 companies from eleven countries. The sample is divided into 37 companies from France, 43 companies from Spain, 49 companies from Austria, 26 companies from Switzerland, 51 companies from Germany, 13 companies from the U.S.A., furthermore 12 Mexican, 4 Dutch, 4 Irish, 2 Greek, and 1 Canadian company(s). Only the results of the six first mentioned countries are presented here. Figure 3 sums up the sample size and the team members involved in the data collection process.

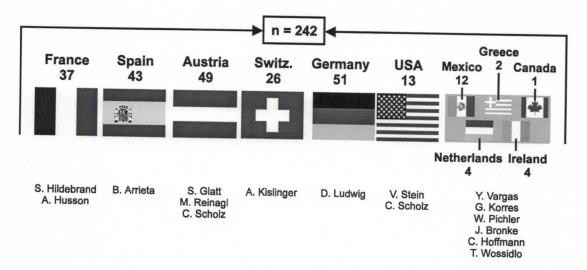


Figure 3. The sample and the interviewers

The sample can be characterized by several situational market variables: 63% of the companies are located in a fragmented market, 37% in a dominated market. A reverse situation exists only in the Swiss sample. 10% produce low-tech products, 39% medium-tech, and 50% high-tech. This is similar to the product reputation: 11% of the companies perceive a low, 23% a medium, and 67% a high product reputation. In 1994, in the overall sample a growth of the industry could be stated for 79% of the companies. Only in 13% there was a decline in the industry development, and in 9% the development stagnated. The mean of age was 76 years (standard deviation = 54), the mean of size 11,012 employees (standard deviation = 29,045).

The database with all variables provides a valuable source for the actual state of the art of management and organizational practices of companies and their differences in management within their global environment.

Measures

The respondents were asked to describe the status of a broad range of organizational variables. They responded on a Likert type scale ranging from 1 (not at all) to 5 (to a very great extent), ranked items (on a scale from 1 to 8), or answered in open questions. Variables representing the external and internal environment of the organization, the structure, strategy, processes, and corporate culture as well as management's perceptions have been developed and measures for these variables were found.

We measured the dynamics of the environmental situation in terms of the market and the social, technical, political, economic, and legal environment. Size by number of employees, age, and type of ownership were inquired, as well as the type of industry, of products and the product reputation. The questions related to structure covered the formal and informal organizational structure, the levels of hierarchy, reasons and intentions of structural change. Concerning strategy, the interviewees should describe their business strategy by its orientation, its contents, its objectives, its competitive advantages, its formulation, controlling, communication, and its operational implementation. We were interested in several systems items covering the planning and budgeting process, the instruments to receive information about the internal and external environment, and the quality management activities and attitudes. Furthermore, we asked for the communication means and their use in practice.

To identify orientations in corporate culture, we had 75 Likert-scaled items filled out by the interviewees. These items covered all kinds of value orientations as for example Kobi and Wüthrich (1986: 138-140) suggest. Most of the questions in the questionnaire covered the fields of human resource management as described in Scholz (1994): This approach integrated the analysis of the workforce, personnel requirement analysis, recruitment, personnel training and development, personnel displacement, change-management of personnel, personnel assignment, leading personnel, and personnel cost management. Additionally, the crossfunctions of personnel marketing, personnel controlling, personnel information management, and international HRM were regarded.

Finally, we measured performance by organizational effectiveness variables. The variables were based on objective and subjective measures. Objective measures described the actual changes of performance-related items like return on investment or innovation ratio, whereas subjective measures focussed on the personal perceptions of the interviewees. The interviewees stated on a five-point Likert scale how well they think they have been doing in comparison to their competition in respect to customer service, productions costs, or distribution costs.

Analysis

The statistical analysis of the data was supported by the "SPSS" statistical software. Frequencies, means, and standard deviations were computed to describe the organizational behavior in the countries. In addition, cross-tabulations, product-moment correlations, multiple regressions, and factor analyses have been calculated for the results. If the sample size might not have been sufficient in some countries, we only analyzed the most significant findings and cross-checked them with comparable data from our further international research.

To analyze the data, we first collected specific statements about the nation-sepcific situations derived from theoretical literature. Culture-based hypotheses were developed by the team members from the respective countries. These information on national cultures, the socio-political systems, and the recent business trends in the various countries provides an impression for the cultural and historical environment in the various countries. Thereafter, based on our data, we reported descriptive findings concerning the behavior the companies show in reality as well as the cultural perceptions within the companies. This led to the analysis of the highly significant factors of success which were presented according to the general model of the GPP-research. Finally, the factors of success were interpreted in terms of the cultural environment.

The presentation on the SMS Conference does not cover the results from the single countries, but refers to the overall findings. However, the focal idea should become clear: Global companies may benefit by being sensibilized on the cultural relevance of behavior and perception in order to manage successfully.

SHORT CULTURAL CHARACTERIZATION OF THE ANALYZED COUNTRIES

To understand the results and interpret them in terms of national culture, we need some background information about the analyzed countries. Although the following short description might seem to be a mere reproduction of stereotypes, it is consciously meant to highlight some striking characteristics which are described in literature on cultural issues in depth.

France shows some interesting national-cultural characteristics, e.g., its centralization (Crozier, 1963: 289; Hall, 1982: 147) and its individualism (Hofstede, 1980; Brundstein,

1995). Another typical topic is the high degree of informality which results in a significance of oral communication (Hall, 1976). Two further main elements of the French national culture can be underlined here: first the French bureaucratic vicious circle (Crozier, 1963) which explains how the value of absolute authority on one hand, and on the other hand independence, individual autonomy, and fear of face-to-face-conflicts can function together. The organizational solution to this dilemma rests upon the creation of impersonal rules. The second element is the existence of a French ruling elite (administrators and top managers), who nearly all passed through the highly selective system of the "Grandes Ecoles" elitist universities and dominate the leadership positions in state and economy.

Spanish national culture is characterized by a high degree of uncertainty avoidance (Hofstede, 1980) which is also strongly reflected in the development of management (Bueno, 1987; Anzizu, 1990; Bueno and Morcillo, 1990; Gasalla, 1993; Elorduy Mota, 1993). Prior to the end of the autocratic Franco regime in 1973, the situation had to be characterized by strong governmental influences on corporate business (Garcia-Echevarria, 1995), by inflexible juristical conditions, the absence of free trade unions, a nation-wide specialization, and corporate cultures that focused on mechanistic and administrative issues. Through these situational factors, the economic system was kept bureaucratical in an institutional context marked by "pseudo-collective bargaining" (Flórez-Saborido, González-Rendón and Alcaide-Castro, 1995: 231) over a long time. In the recent years, after overcoming an economic crisis in the late seventies, did the situation evolve into one of political and economic stability.

Austria's national culture integrates a low power distance and high masculinity (Hofstede, 1980). A high masculinity score means that individuals are very strongly orientated towards achievement, career, always striving for a better qualification, but also that there is more stress at work. Still many companies are state-owned, or the state being the biggest shareholder, as examples from steel production, tabacco production, or banks show (Gutkas, 1985: 244). Despite having a bureaucratic administrative system, Austria shows a tendency towards liberalization of markets (Ott, 1995). The recent joining of the European Union in 1996 is a logical result.

Swiss national culture is characterized by high individualism and low power distance (Hofstede, 1980), and by pragmatism and consensus orientation (Hilb and Wittmann, 1992). Switzerland is the only European country with four official national languages. Switzerland's socio-political system is based on four values (Riklin, 1983: 17): safety, democracy, constitutional state, and welfare state. One of the most striking characteristics of Switzerland is the traditional military defense system. Governmental involvement in economic and financial matters has always been kept to a minimum in Switzerland (Hilb and Wittmann, 1992).

Germany is a federal state, in which specialization and collective bargaining prove to be stabilizing factors of the system. A low power distance index (Hofstede, 1980) meets a high degree of universalism (Hampden-Turner and Trompenaars, 1993) and a relatively low individualism (Hofstede, 1980) compared to other industrial nations. Historically, Germany shows some specific contextual factors which especially influence HRM activities very strongly (Gaugler, 1988; Conrad and Pieper, 1990; Wächter, 1992; Scholz, 1994). Germany, as an export oriented nation with limited natural resources, mainly depends on its human resources. The German educational system can be characterized as a cooperation of companies and schools and is believed to produce high educational standards at all levels (Gaugler and Wiltz, 1992). Typically, German business success is also attributed to Mitbestimmung (worker participation in economic affairs), long term employment, and Betriebsverbundenheit (the feeling of belonging to the company) (Mueller and Purcell, 1992: 25). Closely related to this is the concept of Partnerschaft (partnership), which means the constructive working together of different interest groups of employers and employees such as

trade unions and employing associations. The idea of partnership was a historical necessity for the post-war reconstruction phase, and has proven also to be important after the reunification of East and West Germany.

The national U.S.A. culture is characterized by a high degree of individualism (Hofstede, 1980), high mobility (Hall and Hall, 1990), and a strong future orientation (Trompenaars, 1993). The main factor of national integration, constituting the acceptance of a person as member of the American society, is the so-called Americanism: It is a shared ideology, a combination of exceptionalism, independence, egalitarism, pragmatism, and religiousness (Wasser, 1996). These factors are strongly reflected in the socio-political system, by the emphasis on action, and an orientation towards performance. At the same time, however, a high degree of formalization gives stability to a national system which, on the other hand, allows for many degrees of freedom. Recent business trends attempt to match these characteristics by establishing a strong service sector, by quality orientation in management, and by intensively using information technologies (Rode, 1996).

EMPIRICAL FINDINGS ON MANAGERIAL ACTION

The first empirical findings concentrate on corporate actions. By selecting some main variables concerning the focal targets of research, we are able to point out what companies do in reality. In the sense of an objective finding, this will be later countered by the companies' subjective perceptions on what they are doing. The results (figure 4), referring to a Likert scale increasing from 1 to 5, are presented by the range of the means of the main countries in the international comparison. The small flags indicate which country's value defines the maximum and which the minimum.

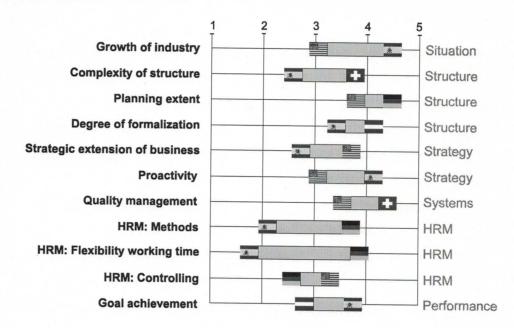


Figure 4. Main variables of corporate action

Discussing the maximums and minimums of the international results, we see that in all sections of our theoretical model there are some more or less typical findings, but also unfamiliar patterns.

Swiss companies are complex in structure and focus on quality - according to the cultural values which ensure stability. Austria has a high degree of formalization but seems to be the country in which the companies did least achieve their goals.

American data indicates that it has 1994 not been the only country in the world with high growth rates in their industries, since all countries in our sample showed higher growth rates. There are also countries with much more extreme planning extents or quality management like Germany and Switzerland. But where the American companies in our sample are unique are strategic extension of business and proactivity - both reflecting the value of emphasis on action - as well as their mechanistic view of human resource management, indicated by a high mean on HRM controlling.

The Spanish results suggest that companies feel satisfied with their performance. They seem to concentrate on a very proactive market strategy in their home market. Focussing on markets rather than on HRM, Spanish companies try to set a frame within they can operate with flexibility. Avoiding complex and formalized structures, they need not extend their business because the industries show sufficient growth rates. Our data shows that the French companies have the same low extent in structural complexity and the same high proactivity score.

In Germany, it is obvious that corporate behavior substantially deals with human resource management issues. The ranges of HRM methods which are used as well as the flexibilization tools which can be chosen by the employees indicate that the companies integrate their personnel. Moreover, by a reduced extent of controlling, the self-responsibility in the working relationship should be higher.

EMPIRICAL FINDINGS ON PERCEPTION

It is interesting now to refer to the perceptions of companies, knowing that these perceptions reflect wishful thinking but not always existing reality. The responding managers were asked to mark the extent of agreement to 75 culture-related items, which were based on the research of Deal and Kennedy (1982), Schein (1985), and Scholz and Hofbauer (1990). The aggregated cultural factors resulted in a cultural profile (figure 5). It is standardized in the way that the lowest and highest mean in the international comparison defined the 0% and 100% values for each cultural orientation. The country-specific data is arranged correspondingly to this range. The asterisks indicate the significance of the international difference (*p<.05; **p<.01; ***p<.001).

	Germany	Austria	U.S.A.	France	Switzerl.	Spain
Short term *	7	24	97	57	0	100
Cost *	7	76	0	78	58	100
Innovation	84	73	0	100	30	68
Technical	16	100	8	0	20	37
Communication	0	77	15	100	85	92
Quality ***	96	85	69	100	98	0
Risk ***	7	. 0	58	100	13	39
Achievement	23	61	87	100	0	26
Customer ***	100	97	28	100	78	0
Relationship to firm	43	68	57	100	0	76
Responsibility *	65	100	0	66	84	39
Intrapreneur	66	100	63	28	78	0
Speed	89	86	0	89	100	
Bureaucracy ***	30	7	100	52	0	65 100

* p<.05 ** p<.01 *** p<.001

Figure 5. Findings on corporate culture (standardized means)

Our findings concerning the firms' cultural perceptions came out to be both in the same and opposite direction of our interculturally based expectations.

Taking the example of America: What we expected from our knowledge about cultural characteristics were the high degrees of achievement culture, short-term orientation, and also a relatively high extent of intrapreneurship. Referring to the cultural characteristic of formalization, the high bureaucracy orientation was not surprising. And bureaucracy then certainly led to the low speed orientation. The low cost orientation could be explained by the intrapreneurship orientation: The more the managers just want to act according to their ideas, the less they perceive any limitating factors like costs being relevant. Opposite to expectation were the findings of low degrees in customer orientation and responsibility. However, we explain this by our measure which does not only focus on customer orientation in service, but also on a substantial customer orientation in production und HRM. Another reason might be a gap between the culture-based vision to be responsible for society and its realization.

In other countries, we perceive the same situation: Some perceptions exactly reflect the cultural values of the nation, others do not. Spanish managers perceive that they do not reach a remarkable degree of customer and quality orientation, but realize cost orientation. Keeping in mind that Spaniards worked within a dictatorial system until the middle of the 1970s, a possible explanation is that one can easily order a cut of costs, but cannot simply order a service mentality. Issues which are related to the old way of centralized thinking seem to be carried out. At the same time, issues of which Spanish managers even know that they are important in modern management still fail in realization - due to the historical heritage.

French descriptive findings concerning the cultural factors show the high communication culture and the high perception of taking risks. Furthermore, it is consistent with the centralism that the intrapreneurial attitude of the employees is not too strong. In Austria, the high degree of masculinity becomes visible through a high intrapreneur orientation. However, it is striking that risk orientation is completely countering the intrapreneurial orientation. An explanation is that the strong influence of the state has affected the perception of risk. The Swiss data shows results that have been expected: the traditional basic assumptions manifest in a low degree for risk orientation and short-term orientation, but in a high degree for quality culture. German managers' orientations focus on long-term culture and on avoiding risks. At the same time, they emphasize quality culture and customer orientation.

In conclusion, there are strong cultural influences on corporate culture, but only some of the values seem to dominate the majority of firms.

Not only the existing national culture, but also the stereotypes about it influence behavior. Stereotypes are a normal phenomenon in human information processing, necessary for the reduction of environmental complexity (Irle, 1975: 105+111). Consequently, a loss of information is connected with stereotypes, and they have a (positive of negative) normative content. Especially the negative contents are dangerous when serving as the basis for reciprocal judgment in communication. While autostereotypes are such about the own culture, heterostereotypes are such about a foreign culture. In international management, a sound basis of mutual congruent autostereotypes and heterostereotypes can lead to an effective long-term working relationship (Everett and Stening, 1987; Scholz, 1993). Our example on customer orientation illustrates the impacts: While customer service in Germany often means quality and finding solutions for the customer, in the U.S.A. it is often used as a metaphor for making the customer smile and removing the feelings of inconvenience. The first dangerous stereotype is in both countries the autostereotype: We are customer-oriented. This does not hold true in any case, depending on the actual expectations. The second dangerous stereotype is in both countries the heterostereotype: The others are not customer-oriented at all. This prevents managers and employees from self-criticism, immunizes them against change. The solution is to link customer orientation with the principle of not believing in the cultural autostereotypes to ensure that managers think about different possible meanings of this term from a more distant perspective.

To sort our empirical findings on perception on this background, we ask three relevant questions. First, are from an outside perspective the companies' perceptions the same as the *foreign* heterostereotypes about the respective countries? It seems to be this way for some orientations. Second, are the companies' autostereotypes met by *our* results? Although we have not conducted a special study on stereotypes within the GPP research, experiences with previous research on stereotypes and previous presentations of our results suggest that there were differences which could be attributed to halo-effects of single success stories or to the fact that people do not tend to admit negatively connotated items. Third, are the perceptions by the managers analyzed in the direction of strengths and weaknesses? Are the perceptions which contradict the autostereotypes understood and translated into action? This question leads us to the findings about what the really successful companies are doing.

EMPIRICAL FINDINGS ON SUCCESSFUL BEHAVIOR

To identify the most important factors of success for each country and for the overall sample, only the variables which correlated with the items of the performance measure with high significance (p < .001) were chosen. We correlated them again all by all and identified the strongest relationships between the variables according to our model, cross-checked with the regression to explain the variance of the performance items (figure 6). In this paper, we only concentrate on the universalistic factors of success, derived from the overall sample.

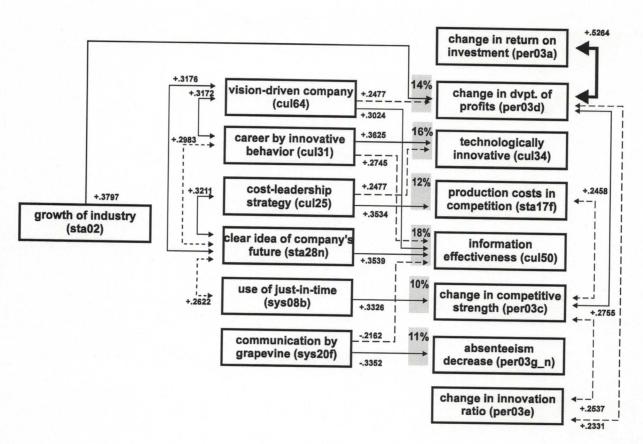


Figure 6. Findings on successful companies

Analyzing the overall sample of the GPP study, we found that there are some universalistic factors leading to success in all countries. Of course, because of the countries' diversity, the relationships are not as strong as within the countries, and also the amount of explained variance is smaller.

In all countries, success depends on the situational variable of growth of industry. Especially six variables resulted in our database in positive performance effects: If employees are promoted in career for their innovative behavior, if companies orientate their culture towards a cost-leadership strategy, if companies define a clear idea of their futures, if just-in-time production systems are used, if communication by grapevine is minimized, and if the company is vision-driven. This effects all components of effectiveness, including profits, innovation, competitive strength, and decrease of absenteeism.

The universalistic factors of success which we identified cover some basic instrumental elements which are known from management literature. But they are combined in a specific way so that managers have to cope with juxtapositional tendencies between them: At the same time, managers have to allow the employees within the company the full scope of innovative behavior and to target for cost leadership in external competition. The proactive search for the new has to be connected with strictly reactive just-in-time-systems. And while the creation of a new vision has to be fostered, managers should also advance factual communication.

Additionally, in the different countries, different specifications have to be addressed which are extremely influenced by national culture, as we derived from the country-specific analyses which cannot be presented here in detail.

In France, views across borders puts own centralistic attitudes into new perspective. It supports innovation and makes perception more realistic. There seems to be an intuitive counter-movement to balance the strong leading influence of the state as well of the coporate leaders. In France, strong competitors have to react fast.

Spanish management carefully breaks autocratic structures to reach customer orientation. The experiences with the former autocratic system still are very vivid in the heads so that stuctured tasks are performed very well, and unstructured and creative tasks remain hard to realize. Thus, companies must be patient until the ongoing cultural processes of transforming Spanish mentality can be completely translated into reality. Information is a critical element to performance: internal communication can serve as a basis for success, external information fosters innovation. Successful behavior should integrate intensive occupation with customer needs and a controlling of targets.

In Austria, culturalistic management and entrepreneurship counters a bureaucratic environment. A main implication of the Austrian findings is that culture does matter: The regulation of business in Austria strongly relies on cultural influence rather than on systems or structures.

In Switzerland, in spite of - or just because of - a formalized system, managers and employees feel to act very individually to contribute to success. This corresponds to the prior expectation that the Swiss desire for stability and safety as for example expressed in Switzerland's military tradition has an influence on company life. Companies should recognize that formalization builds the frame, in which if individualism gains influence success is more probable.

Germany seems to be very consensus-oriented; however, this does not mean pure harmony but often hard work on compromises between employers and employees. Although there might be severe disputes on economic questions on all levels of decision, Germans unite to fight major threats together. The often discussed cost disadvantages in labor costs might be compensated by that German attitude towards working life called partnership, which is crucial to success.

In the U.S.A., managers tend to believe in their positive autostereotypes and thus do not perceive dangerous developments in business reality in time. For example, only successful companies learned to replace intention by real action and did not believe in their autostereotypes saying that they already were perfectly customer oriented. The companies who are best equipped to take advantage of new opportunities are those that learn to achieve a balance between opposed cultural values. Successful American companies set the rules in their markets. This reflects the cultural focus on action, apparently the most typical factor of America's success.

CONCLUSIONS

Following our results, we can agree that there are some universalistic factors of success. However, the more interesting finding is that meaningful relationships between the variables of organizational behavior and performance items do exist nation-specifically. When doing business in their own country, companies have to consider (beside the universalistic factors) special variables leading to success. These variables are tightly linked to national culture.

The main point of these findings is not only that the variables of successful management differ from country to country. Also the intensities of the statistical relationships between the variables differ very much. Thus, management attempting to reach success in its national markets and competitive environments should not ignore national particularities. Even if not globalizing at all, managers should reflect their own cultural characteristics. National particularities cannot be ignored by successful companies. They are barriers to strategy or opportunities for further success.

Although this conclusion may not generalize to smaller firms and rather to home-based companies in their respective country than to foreign companies entering a new country, it still

offers indications of how to invest resources usefully. Managerial self-criticism should cover the question whether the own considerations deal with perceptions or actions. It will be important to learn to distinguish real actions from intentions. And finding something very spectacular within a country does not mean that this holds automatically true for the international context. It might be very good in absolute terms, but there might be still countries performing better - and thus there are still opportunities for own improvement.

EPILOGUE: ON METAPHORS IN MULTICULTURAL MANAGEMENT

What else we are doing but attempting to find some new, more pregnant metaphors form managing in a multicultural environment?

Metaphors are "a way of thinking and a way of seeing" (Morgan, 1986: 12). In a cognitive process, a meaning of a phrase is applied to a new context in a figurative sense - and this process is inevitable in everyday life (Grant and Oswick, 1996: 1). Information on familiar issues is transferred to new subjects. By this, new perspectives to deal with problems can be derived. While the positive function of metaphors is to broaden knowledge and understanding, they might be negative by constraining knowledge and being very resistent to change and extinction.

Neither these points are new, nor is the idea to question the appropriateness of a metaphor. It depends on the personal experiences whether a metaphor is perceived as going too far or as not going far enough. Nevertheless, we consciously want to use metaphors in our research, both as means for research as well as targets of research.

First, we translated the metaphors of national culture into metaphors of organizational behavior, independent from our empirical results. By this we reached a basis for formulate the questionnaire and later interpret the data.

Second, we used abstract ideas which were already presented as metaphors to understand our empirical results. "No 'tyranny of the OR'" (Collins and Porras, 1994: 43) and "Managing Ambiguity and Paradox" (Peters and Waterman, 1982: 89) led us to the understanding that juxtapositional results are adequate for management behavior in a complex environment like the multinational is one.

Third, when understanding the relations, we were only able to reduce complexity of results by formulating new metaphors by our own. These metaphors should on one hand express the main characteristics of the situation, on the other hand imply areas of managerial action.

Sets of metaphors influence corporate life very strongly when they are spread within the organization and initiate social constructions of reality (Scholz, 1997). They work through the individual and collective experience that actual problems can be isolated in the way that the single metaphor is appropriate to find a solution, and that different problems can be regarded consistently under several metaphorical perspectives in the way that problem solutions do not neutralize each other.

Especially in multicultural management, the main danger ist that serious research creates new, catching stereotypes. Metaphors on national cultures and managerial behavior as constructed reality can too easily be kept as material reality in the sense of existing on the earth. To avoid this danger, one way is to mention the stereotype issue explicitely in the context of the metaphor.

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The Global Performance Project



The Global Performance Project (GPP) is currently one of the central research issues of Univ.-Prof. Dr. Christian Scholz, professor of organizational behavior, human resource management, and information management at the University of Saarland, Saarbrücken, Germany. Dipl.-Kfm. Volker Stein is the administrative head of the Global Performance Project.

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- Scholz, Christian/Stein, Volker, The Global Performance Project: Empirical Findings from a European Research Group. Symposium at the 1997 Academy of Management Meeting, Boston, MA. Working paper no. 48, Lehrstuhl für Betriebswirtschaftslehre, insb. Organisation, Personal- und Informationsmanagement, University of Saarland, Saarbrücken 1997.
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Further publications are in preparation.