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## Information in Latin American Organizations: Some Cautions

Considering the apparent ease with which cross cultural theoretical frameworks are produced and subsequently reinvented by others, one wonders why the business of crossing national and cultural boundaries should be so fraught with difficulties as the literature suggests.<sup>1</sup> Some find a lack of empirical research at the root of this difficulty and crusade throughout the world with questionnaires designed to find out what foreign managers think about management.<sup>2</sup> Such attempts are often fairly fruitless in terms of producing practical ideas for those involved in international integration. As Neghandi<sup>3</sup> has noted, there seems to be a wide gulf between cross cultural management research and organization theory. Most research tends to be so abstracted as to defy easy application, or so concerned with limited numbers of variables as to impede the inclusion of findings into a workable scheme for practical use.

In this paper we hope to avoid this dualism to a degree by specifically examining how Latin American cultural models impact on the way information is handled in Latin American organizations. We have chosen to limit our consideration to information issues because they are easily approached within the scope of this paper. Yet, in our opinion, information is one of the most critical areas of difference between Latin American and U.S. or Western European organizations. We hope that the forthcoming analysis and suggestions can prove practical in a wide variety of the organizational settings in which non-natives might find themselves, whether they be management consultants or researchers.

Latin American business studies have already identified several tendencies in Latin culture. Particularism, paternalism, and personalism all affect the way Latin American organizations work.<sup>4</sup> Unfortunately, these individual traits are seldom approached in their wider social context, which contributes to the disjointed nature of the research in the area. This tendency, however, is not due to the lack of material taking a comprehensive view of national cultures in Latin America: both anthropologists and sociologists have produced "systems views" of Latin America. The problem is that these perspectives have not been utilized in management and organizational behavior literature.

In an attempt to bridge this gap between social science frameworks and business research, we will suggest a general model of Latin society and then consider the implications of this cultural complex for information-gathering and processing in Latin American organizations. While this approach does not have the rigor of a quantitative study, nor the universality of a theoretical study, we find it easily operationalized and applicable in many organizational contexts. It makes a valuable analytical tool for both academicians and practitioners.

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## The Hacienda Model

The Spanish conquest imposed an Iberian brand of feudalism on the Americas. Conquerors were assigned portions of land which included the inhabitants of that land as serfs. The overlord had rights to the Indians' labor and had marginal obligations to catechize the natives and protect them against the more dire contingencies of life.

The granting of lands in the first place was a royal favor and one's kinship or friendship to a highly placed person was the key to getting ahead in the colonial system. A person's social network provided the necessary alliances to maintain his position in the stratification system. The forging of alliances among the elites helped to consolidate the existing power structure into a closely related network, controlling the resources of the entire nation.

Serfs, on the other hand, were categorically isolated from one another through mechanisms which prevented lower class solidarity. This was necessary to avoid displacement of the conquerors through a unified rebellion by the conquered who were much greater in number. The only "connections" allowed to the serf were with his "Patron". These consisted of reciprocal obligations with the patron, usually legitimized through godparenthood or "compadresco". In this manner, the peasant was constrained to look to the landowner for any political necessities, thus helping preserve the hierarchical supremacy of those above him.

The nature of relationships to the hierarchy was always personal; that is, all dealings in the colonial pecking order followed kinship or ritual kinship ties, and there was no separation between the person occupying a certain position and the person's family or personality.

To complement this, the cosmology of the Catholic church replicated the existing Social structure through a parallel arrangement of local and national patron saints who received their power from higher sources and could dispense supernatural favors through individual appeals, much as was the case in the secular world. The ecclesiastical hierarchy of the colonial church, like the feudal system it supported, pictured all power flowing down through the priesthood of the church in immutable fashion.

Thus, in the secular and spiritual realms alike, power arrangements were inviolate and could only be breached temporarily through the personal intervention of a higher power holder on behalf of a lower one.

The passage of time brought the transfer of power from the Spanish and Portuguese to local elites, either through revolution or inheritance, but the basic assumptions of the system have remained the same.

The net effect of these societal antecedents on organizations in Latin America has been to promote extreme centralization and inflexibility. Provisions for lateral communication occur only at the top of the organization's hierarchy, due to the feudal ban on communication between subordinate members of the system. Leaders are viewed by subordinates as representing personal and kinship ties and obligations at least as much as they represent organizational interests and responsibilities.

For a long time, this setup has not prevented organizations in Latin America from functioning in much the manner their founders had in mind. However, as Latin America begins to industrialize, resulting in increased complexity and differentiation in the society at large, the coordination of organizational activities becomes too complex to leave in the hands of the chosen few at the top of organizational pyramids. Errors of intolerable

gravity occur due to the lack of greater provisions for integrating mechanisms in the system.

It is at this point that the western management consultant might wish to rush into action with plans for decentralization of decision making and participative management schemes. However, it is exactly at this point that the difficulties of employing Western theoretical models in Latin America become apparent. The needed understanding of the social idiom is not there.

What the western manager or consultant is likely to miss is the inevitable link between central control and the stratification system. Because of the social meaning of one's role in the hierarchy, decentralization and participative management logic would represent an intolerable loss of social status and control for native Latin managers. On the other side of the coin, subordinates would suddenly be faced with responsibility they were never conditioned to accept, and their confidence in management would probably suffer. An illustration of this problem is a report of new leadership patterns in a Puerto Rican factory.<sup>5</sup> The theory, U.S. style, was that managers could be more effective, workers increasingly motivated and productive, if a more democratic decision-making style were practiced. Consultants from the U.S. conducted extensive training in the new concepts for supervisory personnel. The result was that managers began altering their traditional behavior, soliciting employee feedback, holding team meetings, etc. Hourly workers began leaving in droves! Queried by researchers as to their reasons for exiting, the employees said it was apparent that their supervisors did not know what they were doing anymore, for they kept inquiring what their employees thought. Therefore, the obvious conclusion was that the company must be in trouble and would soon fold. The departing employees had determined to leave before the place eventually collapsed, because at that point everyone would be looking for a job.

### When in Rome . . .

It may come as a surprise to some that the world does not stop in Latin America when Latin organizations fail to react to a turbulent environment as predicted by western practitioners. Rather, as environmental contingencies requiring lower level decision making have arisen, necessary adaptation has been carried out through the expansion or modification of preexisting local devices.

The Brazilian para-legal machine is an excellent example of this. Dealings with the government in Brazil and other countries in Latin America have faithfully followed influence patterns dictated by social and kinship networks. Government bureaucracies, far from serving some task-oriented, universal recruiting and operational criteria, have been peopled by deserving members of local leaders' social networks. These incumbents in turn distribute government favors according to their own social contacts.

As urban centers have grown, however, the number of people and organizations interacting with government agencies has grown to the point where it is not possible to apply particularistic criteria to all cases. Here, traditional organization theory would predict a switch to universalistic, western criteria in response to increased case load placed upon the bureaucrasies. But because governmental favors and approval are critical to the determination of one's status in the society, however, a change to a truly universal criteria for distribution of government benefits would threaten existing social structure and related power alliances.



The Brazilian answer has been simple: bureaucratic procedures are never translated from legal Portuguese into layman's terms. Hence, regulations are left in such a complex state that no outsider to the bureaucrats could hope to fulfill the requirements of the law, universalistic as they may be, without the aid of someone initiated in the bureaucratic system. In response, a para-legal branch of the economy has developed, harboring close ties with the bureaucrats. This branch mediates between the population at large, which must comply with certain government regulations in order to secure certain benefits in the society, and the small number of bureaucrats. For large amounts of money, the "despachante" (a member of this para-legal branch) will apply his knowledge to appropriate legal channels in order to obtain the desired favor. Upon additional payment, he will employ his personal influence outside the realm of legal criteria to bring about favors peripheral to stated law. These extra fees are in turn redistributed through the social network to incumbents of public positions. In this manner, the adaptation to new contingencies evolves without disrupting any feature of the stratification system.

This example is only an instance of adaptation rather than an actual divergence in organizational paradigms existing between developed countries and Latin America. But there is an important change in paradigm to be realized from this example. The critical intervening variable is access to information. Whereas effective interventions in management systems of industrialized countries may be effected by structural changes, the absolutist ideology of Latin American countries mitigates against such changes. In compensation, the critical arena for modulating organizational processes is transferred from structure to information processing. In the preceding example, this is reflected by the establishment of a non-official mediating element between the Brazilian bureaucracy and the society-at-large, whose chief commodity is information about complex bureaucratic protocol.

Two interesting studies reinforce this point. Young<sup>6</sup> found a very high correlation between official communication between Latin American governments and national sectors and the traditional indices of development. In other words, Latin American nations more involved with western-style development tend to be freer in their distribution of information to lower societal levels. Also, Barth and Vertinsky's study of information-processing in private firms in Colombia revealed that official power holders not only have less access to significant information than do more peripheral organization members, but that formal communication channels actually suppress significant information. In the author's words, "... cybernetic structures of information acquisition are built upon the principle of checks rather than dynamic control."<sup>7</sup>

Informal information flow, then, becomes the key mechanism for adapting the organization to its environment in Latin America. The absence of organizational structure containing provisions for lower level decision making adds to the power of this mechanism. It may also become the main arena for working out the political conflicts of the system. Because existing power structure is taken as immutable, non-officially granted power only accrues to people not occupying a top position through possession of essential information or connections.

Lower members of the hierarchy, being closer to the organization's boundary and therefore having more contact with important environmental inputs, hoard incoming information so that higher members must come to them for necessary information upon which to base decisions. Of course, this information is only released if the higher position incumbent pays for the information through some favor, usually greater power for the lower member.

## Implications for Practice

The foregoing analysis, if accurate, implies several adjustments western organization watchers would be well advised to make in dealing with Latin American social institutions.

We have noted that the culture of western industrialized nations allows for more differentiation in organization structure, especially in terms of decentralization, than is the case in Latin America. As a result, the organization chart in developed nations is likely to be more expressive of actual relationships in the organization than it would be in a Latin American firm. Thus, fairly accurate conclusions about information flows in, say, a U.S. firm may be made on the basis of the organization chart alone. Even interventions involving manipulation of formal organizational structure (i. e., changes in reporting relationships, matrix management, etc.) are fairly likely to be successful. In a Latin American country, however, not only is it unlikely that suggestions for structural changes will be received favorably, it may also be doubtful that the organization chart gives an accurate picture of real information flow. The information will actually have to be mined out by the researcher through a previously-developed understanding of informal reporting relationships, and transferred in a functional manner. In other words, it is probable that change will come about only through collection of information and its bestowal on particular points in a critical manner.

Because lateral communication in Latin American countries tends to occur only at the uppermost levels of the system, predicting trends or dealing with the government is a matter of contact with the top rather than of courting a wide cross-section of the population or bureaucracy as would be the case in western countries. For instance, marketing executives in Latin America are known to base their advertising campaigns more on projected government austerity programs than on consumer attitudes.<sup>8</sup> This tendency for articulation of the system only at the top has profound implications for the upper echelons of the firm. It probably accounts for the common complaint of western executives in developing countries that they must personally attend to many transactions with government officials and executives from local firms that would be taken care of automatically through routine correspondence or carried out by administrative aides in their country of origin.<sup>9</sup> It may also explain the practice in Latin America of hiring high-level executives more on the basis of their connections than their competence.

Considered in conjunction with the information hoarding that occurs at lower levels, it is necessary to have contact with both the extreme discretion of the top and the information possessed by the bottom for optimal decisions to be made and implemented. The vital role of management consultants or other students of organization in this setting might be that of a mediator between these two poles. The critical skill would be the ability to trace informal information networks and act as a personalistic facilitator to channel these networks, or the information gleaned from them, in directions which will produce optimal performance.

This is not unlike the view of Argyris<sup>10</sup> and others who see the consultant as merely providing data to the client, but in the former case, it is supposed that the information will be as easily obtained and that provisions for transfer of this information to appropriate people, or for the transfer of decision-making power to the appropriate people, can be built into the organization. The typical OD specialist sees the critical technology as attitudinal measures and other set forms of information gathering, and a knowledge of the implications of survey findings for the organization in question — all with the assump-

tion that the organization will change when the rationality of a given change becomes apparent. In the case at hand, however, the problem is obtaining valid information in the first place, and then finding a way to do some good with the information in organizations where structure cannot be changed in the interest of efficiency because of cultural constraints.

### **Inadequacies of Traditional Data-Gathering Methods**

The major mechanism employed by western researchers in obtaining "valid" information about the organization is the use of organizational survey instruments, of which the Likert-type scale predominates. A tool such as this is of questionable utility in Latin America. Likert's own instruments,<sup>11</sup> for instance, are difficult to understand in English, even when administered among a relatively highly-educated middle class sample. Personal experience in the U.S. among minorities and lower-educated auto workers, for example, resulted in researchers' having to personally interview and explain in simpler terms that the survey items seemed to be calling for.

Our experience with these same instruments in Latin America raise even more serious doubt as to their potential usefulness outside the managerial class. In countries where the average educational level is fourth grade or below, attempts to obtain reliability and validity in one's measures may be largely self-deceptive. Western methodologies may be too complex, too sophisticated, as well as simply irrelevant and "foreign" to Latin research subjects. A participant observational technique may be more appropriate.

A second concern with respect to the collecting of organizational information in Latin America grows out of the climate of oppression which is evidenced under the regimes of a number of South American countries. The sheer presence of military juntas, and their oft-cited repressive acts, may often serve to contaminate data sources as the researcher attempts to learn more about a given social system. Even when not dealing with government organizations, the same cultural environment which spawns governments oppression seems to carry over into private organizations.

As a case in point, the author was invited to facilitate the merging of two separate state governments into one during the early 1970's in Brazil. It was conceived that an opinion survey might help identify key problems needing attention during this transitional phase. Preliminary interviews, however, suggested such a climate of paranoia about revealing attitudes toward state government organization that the entire project had to be terminated. Employees were (justifiably) concerned that our assurances of anonymity and confidentiality could backfire. Official laws instigated by the military junta sanctioned the arrest and loss of political privileges for up to 10 years of anyone critical of local, state, or federal government. Our research participants were fearful that even an average response on a questionnaire could be viewed as a criticism of the system and that expressions of dissatisfaction with one's job or negative feedback about a supervisor would lead to repressive results. These employees were certain that the "Servico Nacional de Informacao" (equivalent to the FBI in the U.S.) would have access to the raw data and either decipher the coding system of research subjects or use fingerprint detecting devices to determine which questionnaire was filled in by which employee. The resulting prediction was that people would be branded as extremists or dissidents for perceiving the government organization as a System 1 autocracy when official rhetoric by the generals was that

democracy was being restored to the country. Naive OD assumptions that openness and trust are universally desirable and lead to organizational improvements are out of touch with the politics of information sharing in many oppressed nations of Latin America.

The problems of survey use in Latin America point up another difficulty in transferring western management concepts wholesale into Latin America. People who see information as central to the political concerns of the system are not likely to be extremely free with information, even when anonymity is guaranteed. The fact that information is not given by telephone in Latin bureaucracies is one example of this. Similarly, in a study of Chilean pentecostalism, researchers had to gather all information from pastors of the various churches studied by personal interview because mailed questionnaires are simply not answered in Chile.<sup>12</sup>

Because information gathering and transmission tends to fall under the domain of informal social networks and contacts, the cross cultural consultant might do well to bring his data collection methods into line with prevailing local practices.

### Alternative Data-Gathering Methods

Anthropologists, who have been doing non-quantified, system-wide research for decades have some valuable insights. Leeds' methodology used in studying Brazilian elites and national development could serve as a model.<sup>13</sup> Leeds took advantage not only of informal social networks but used everything up to and including newspaper gossip columns to formulate a composite picture of the social system. The book *Unobtrusive Measures*<sup>14</sup> elaborates many means of obtaining social systems data without having to rely solely on the opinion, written or spoken, of some member of the system. It makes a fine link between the somewhat non-empirical approach of the anthropologist and the perhaps over-quantified approach of other social sciences.

Taylor's experience is producing maps of informal organizational networks in British firms might be applied to Latin American organizations.<sup>15</sup> She found that almost invariably members of the same informal social network would test her integrity by giving her false or innocuous information which appeared highly confidential and then attempting to retrieve it from her. One member of the informal network would give her the information in an interview and then another member would press her for it in a subsequent meeting. She soon found out that by noting who gave this false information and who asked her for it, she could form a composite picture of the informal social structure of the organization. Even if this kind of credibility testing does not occur in Latin American organization (Taylor is adamant in asserting that it has occurred in virtually all protracted organization consulting she has done), the basic principle could be valuable. The researcher might watch for common elements in the interchanges of organization members whose interactions are not defined by formal organization structure. These common elements could be expressed in vocabulary, dress, spatial relationships, or any number of other behaviors. Given sufficient time, the observer could map these informal relationships for eventual use as information channels to improve information transfer up, down, or across the organization hierarchy.

The key to all the alternative data-gathering methods mentioned is the use of composite measures and information sources. Taylor, Webb, and Leeds all demonstrate the importance of looking for common elements in an uncommon landscape, and then fusing these



elements into a valid picture of the social environment to be dealt with. It is very unlikely that any fixed instrument can identify important informal associations in a novel environment.

One last caution must be voiced regarding the dynamics of information in Latin American organizations and social systems. We have already mentioned that articulation occurs at the top of most Latin American systems and that environmental trends, therefore, are most easily predicted by examining the trends of a small core of national elites. While this is true, it is important to remember that the wide gulf which exists between the elites and the bulk of the population in Latin America tends to inhibit the knowledge of the upper classes about the manner in which the lower classes will react to their articulation of the system. This usually does not concern the elites because their power is sufficient that the reaction of the lower classes is not likely to threaten their position. Indeed, the only considered reactions of the populace to elite decision making are usually those which do threaten the position of the elites. Therefore, those organizations which must accurately predict and deal with the bulk of Latin America's population (such as churches, service organizations, and marketing divisions catering to lower-class consumers) cannot rely on the elite's interpretation of measures being taken, or of lower-class reactions to obtain valid information about dealing with the lower classes. They must not only research the lower classes themselves, they must develop a methodology which will break through both the cultural barriers mentioned in this paper as well as cross the extremely rigid class boundaries which exist in Latin America.

## Footnotes

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