

THE IMPACT OF NATIONAL CULTURE ON MANAGEMENT DECISION MAKING PROCESS IN SELECTED NON-WESTERN COUNTRIES

Valda Bratka, Artūrs Prauliņš

Abstract: *Decision making is apparently one of the most important functions of managers. This paper attempts to examine the influence of predominantly patriarchal and collectivistic Arab-Islamic culture and hierarchical and collectivistic Japanese culture on management decision making processes. By adopting an integrative approach, carrying out historical analysis and undertaking an extensive review of literature, this study aims to build a comprehensive account of the main features and to explore particularities of decision making styles in the Arab world and Japan. From an academic perspective, this research might improve our understanding of the role played by national culture in management thinking. From a practical perspective, research might result in a better management as it encourages international executives to be aware of differences in decision making styles across various non-Western national cultures.*

Keywords: *management decision making process and style, Japan, Arab countries, collectivistic culture.*

JEL classifications: *M10, M16*

1 INTRODUCTION

Decision making is apparently one of the most important functions of managers as it determines the success or failure of any company. Decision making style is a significant work-related attitude that influences managerial performance (Ali, 1993). Kaur (1993) believes that the effectiveness of any company is conditional not only upon its technological efficiency but also upon effective decision making process. Generally, the analysis of this process could help scholars to understand managers, their approach to problem solving and communicating with others in the company (Ali, 1993; Ali et al., 1995).

Does culture make companies or do companies develop their own cultures? An answer to this question is directly linked to the interplay between national and organisational culture. Obviously, managers do not exist in economic or social vacuum and are under the impact of different values, norms, believes and traditions of society. Hofstede et al. (2005) are convinced that national and organizational cultures coexist and interact because the former is learned in childhood whereas the latter during adulthood. However, the question about direct or indirect (through organizational culture) impact of national culture on management decision making remains unanswered (Schneider et al., 1991; Earley et al., 1995).

Although traditionally decision making process is depicted as a rational one, Noorderhaven (1995) argues that it is influenced by various contextual variables. A prominent role performed by the knowledge of culture, its values and influence on the organizations and behaviour of decision makers was acknowledged half a century ago (Oberg, 1963; GonHesseling et al., 1969; Negandhi, 1975) and still is emphasized by modern scholars (Adler, 1991; Sagie et al., 2003; Francesco et al., 2005). A number of empirical studies (Badawy, 1980; Ali, 1993; Crookes et al., 1998; Mann et al. 1998) have also confirmed the significance of national culture in shaping management decision making process and determining its style. Although Hofstede (2001: 109) argue that “one cannot write meaningfully about organisational participation without embedding it within a national cultural context”, scholars have devoted considerably less attention to the impact of national culture on management decision making styles than to the influence of other contextual variables (Yousef, 1998b; Tsui et al., 2007).

The most popular framework of cultural dimensions has been developed by Hofstede (1980; 1984)¹⁹. Despite of being criticised for a selected research method (House et al., 2004) and biased research design (Sivakumar et al., 2001), it is still strongly favoured by cross-cultural management researchers (Sondergaard, 1994). The studies analysed in this review are not exception.

This paper attempts to examine the influence of predominantly patriarchal and collectivistic Arab-Islamic culture and hierarchical and collectivistic Japanese culture on management decision making processes. By adopting an integrative approach, carrying out historical analysis and undertaking an extensive review of literature on decision making processes in companies

¹⁹ The dimensions are: power distance, uncertainty avoidance, individualism-collectivism, masculinity-femininity, long-term – short-term orientation.

located in the Arab world and Japan, this study aims to build a comprehensive account of the main features and to explore particularities of decision making styles in the abovementioned regions. Although reviewed studies by no means constitute a comprehensive body of literature, we firmly believe that they reasonably cover both theoretical and empirical research that has been conducted over recent decades.

The choice of the Arab countries and Japan is not coincidental. Although both regions belong to the group of the Eastern countries and are typical representatives of collectivistic culture, they possess a number of distinctive characteristics that make them different from the Western world and from each other. This singularity makes their comparative analysis particularly interesting.

From an academic perspective, this research might improve our understanding of the role played by national culture in decision making processes, management thinking and practices. For practitioners, heterogeneity of decision making styles might become a serious obstacle in multinational companies. When a foreign executive and local workforce belong to different cultures, decision making process might be contradictory and impede the development of successful work relationship. Thus, from a practical perspective, this study might result in a better management as it encourages international executives to examine and to be aware of particularities of decision making styles across various non-Western national cultures.

2 RESULTS

2.1 The Arab World

2.1.1 Social and cultural environment

According to Hofstede (1994), collectivism dominates in developing and Eastern countries whereas individualism - in developed and Western countries because the latter is boosted by industrialisation. Comparative management studies (Al-Yahya, 2009) consider the Middle East as a separate unified cluster which has high scores in collectivism, power distance and avoidance of responsibility. Consequently, it could indicate the preference for hierarchical communication, bureaucratic organization and authoritarian management. However, reality is more complicated. Although at present the Arab world consists of 22 countries that share similar historical experiences, each of these countries has some specific practices, traditions and values. For

example, the Arab countries take different positions on the continuum of collectivism: Saudi Arabia is more collectivistic than Lebanon or Egypt (Hofstede, 2005). Therefore, any analysis of Arab corporate culture and its impact on management decision making process is inevitably based on some extent of generalisation.

Ali (1990) has proposed that all the studies into leadership and organisational practices in the Arab countries conducted by Arab scholars could be categorised as Westernised, Arabised and Islamicised. Although the Westernised scholars (Ayubi, Badawy, Muna) succeeded in finding some organisational and personal aspects that impact on managerial behaviour, they failed to construct general management theory. The Arabised group (Ali, Al-Kubaisy) carried out critical analysis of managerial practices in the Arab companies. Finally, the Islamicised scholars (Abu-Sin, Hawi, Khadra, Nusair, Sharfuddin) defended the application of Islamic postulates and traditions in doing business. Apparently, over the years the last approach has gradually grown in popularity among the population due to frustration mostly caused by the introduction of the principles of Western management.

Unlike Western countries, business companies in the Arab world did not emerge independently of socio-cultural environment. Instead, they are a continuation of Islamic values and traditions and are closely linked to a family (in contrast to an individual in the West) as a key component of Islamic society and business (Huff, 1993). The exploration of Arab corporate culture cannot ignore particularity that more than 90 % of Arab companies are family businesses. Consequently, the family as an inextricable link between Arab society and Arab business life has transformed companies into derivative of Arab and Islamic values, beliefs and traditions (Hammoud, 2011). Bjerke et al. (1993: 30) argues that “the cultural milieu shaping the mentality and behaviour [...] is a unique blend of Islam mixed with Arab traditions”. Sharabi (1988, quoted from Al Rasheed, 2001: 45) maintains that “neopatriarchy”, in other words, the type of modern society which embodies traditional features of patriarchy, dominates in the Arab countries. The family is a typical reflection of this society and could be described by the dominance of the father and the elderly, their authority and dependency of other family members. Commonly, children are submissive and obedient to the superiors, follow father’s orders and instructions.

These factors determine a formative and ubiquitous influence of Islamic culture on Arab manager's decision making (Ali, 1989; Al Rasheed, 2001) and the lack of noticeable differences between national and organizational cultures. Nonetheless, Barakat (1993) is more sceptical and argues that contradictoriness of modern Arab culture, for example, an odd mixture of past and future orientation, fatalism and free will, conformity and creativity, form and content, feelings and rationality, obedience and rebellion, openness and introversion, individualism and collectivism, makes the identification of its most important elements which influence business practices problematic. Ali et al. (1992) characterise the Arab society as mosaic where the tension between traditional and modern values plays a major part. Consequently, the Arab personality may be described as "split". Although Arab managers might be extremely proud of imported technology and management systems, in reality they control, organise, motivate and make decision according to their traditional tribal culture. It results in "juggling two sets of work systems" – modern imported and local traditional – and requires a great deal of diplomacy (Abdalla et al., 2001).

Arab managers are past-oriented (Al Rasheed, 2001) and relatively resistant to changes; they distrust future and avoid long-term planning (Kassem, 1989), concentrate on precedents and prefer the continuity of established practices. Arabs' externalist orientation reduces the value of time, deadlines, goal setting and performance evaluation (Abdalla et al., 2001). While Bjerke et al. (1993) believe that they are not fatalistic and prefer analytical methods in planning and preventing negative results, Kassem (1989) maintains that in making decisions Arab managers favour market instincts over quantitative data due to volatility of economic environment and "trading mentality" (traditionally, Arabs are traders). In Arab society, there has always been a great deal of antipathy to strict rules and regulations because they are established by people and should be perceived as flexible. Whereas Arab managers are commonly hopeful and optimistic, they frequently use the phrase "Insha Allah" (God willing). Some Western scholars misinterpret it and perceive as a sign of weakness or fatalism. In reality, this phrase manifests humility (Ali, 1993).

In communication, non-verbal behaviour is particularly important. The usage of proverbs and poetical expressions full of subtle meanings is a widespread practice in business. Inability to express thoughts directly is attributed to cultural pressures and the submission of individual opinion to a collectivistic one (Hammoud, 2011). In making their decisions, Arab managers are never

straight-forward. Instead of formal approach to business, they favour informality and personal attitude (Bjerke et al., 1993). Thus, a long discussion of business related issues alternates with such completely irrelevant topics as social life, politics and family (Deresky, 1994). While Western businessmen always look for win-lose solution, Arabs prefer win-win solution to achieve both compromise and equality. In contrast to Westerners who discuss issues separately, Arabs favour holistic approach and integration through mutual understanding (Ali, 1993).

2.1.2 Decision making style

Nowadays, in the Arab companies a general approach to decision making could be portrayed as the mix of consultations and directive management (Al-Yahya, 2009). Consultation keeps playing a prominent part in the Arab social life (Siddiqui, 1997) and management decision making (Badawy, 1980; Ali, 1989, 1993; Ali et al., 1995, 1997; Yousef 1998a, 1998b). Huyette (1985) argues that consultative management decision making has originated from an Islamic concept of *shura* (mutual consultation) because the Quran stipulates “and consult them with respect to the matter” and “consult them in affairs of the moment, then, when you reach a decision trust God” (Hammoud, 2011: 143). In contrast, Abdalla et al. (2001) and Ali (1989) give sociological and psychological reasons for the emergence of this decision making style. Yousef (1998a) emphasizes the role of culture because consultation was of great importance in the Islamic tribal societies.

Historically, the Arabs lived in tribes which consisted of families and clans. Usually, one person known for his wisdom, age or bravery took the position of the leader (sheikh). As Arab society was patriarchal, sheikh always was male and the head of his family. Although sheikh wielded the highest legislative and executive power, he did it within the boundaries set by the majority. The same principle was followed when families and clans made decisions. However, just the well-to-do, members famous for their bravery and those who were in charge of families participated in this decision making process. As this process was informal and expressed opinions were not binding, it was similar to consultation. Tribal traditions greatly influence Arab managers who seem to play the role of tribe leaders (sheikhs). They perceive themselves as the guardians and fathers of their employees, tend to consult with the members of their group (similar to relatives) and exhibit aggressive and authoritarian behaviour towards members of other groups (rival tribes) (Abdalla et al., 2001).

The results of previous empirical studies are inconsistent. Al-Jafary et al. (1983) have carried out a study on managerial practices in the Arabian Gulf region and found that Arab managers favour consultative decision making style. In their study of decision making style in Saudi Arabia, Kuwait and Qatar, Ali et al. (1992) have shown that respondents favour consultative and pseudo-consultative styles. Ali (1993) has used another sample which consists of Saudi managers – members of the Arab Gulf Management Development Conference. Obtained results are the same. Specifically, Arab executives are highly committed to consultative style and show a high preference for pseudo-consultative style. Ali et al. (1995) have reported the predominance of consultative and participative decision making styles among managers employed by eight major service organisations in the United Arab Emirates. In comparison with other respondents, mostly Arab managers and particularly Arab expatriates adhere to participative and pseudo-participative styles. Using the sample of Kuwaiti managers, Ali et al. (1997) have provided evidence that respondents give preference to consultative and participative decision making styles. Furthermore, the majority of respondents believe that their supervisors are pseudo-consultative. Al-Yahya (2009) has re-examined the findings of previous studies by surveying 390 managers and subordinates in 14 Saudi Arabian large public organisations and found that common decision making style is consultative with frequent use of joint decision making (participative). The higher position manager takes in corporate hierarchy, the more he is involved in participative decision making process. Nevertheless, top managers resist this shift to power sharing because this might result in a decrease in their influence, further redistribution of power and equalisation of status (Al Rasheed, 2001). Generally, a gradual introduction of participative style might be evidence of changes in management and leadership styles over the years in Saudi Arabia in particular and other Arab countries in general due to continuous convergence with international management values.

According to Mezal (1988, quoted from Savvas et al., 2001: 67), participation and consultation are particularly favoured values in the Arab world whereas autocratic and authoritarian approaches are considered as undesirable. Nevertheless, Ali (1989, 1993) has modified²⁰ Vroom et al. (1973) model and concluded that actually it is a ‘pseudo-consultative’ approach to decision making that prevails in the Arab companies. For Hammoud (2011: 144), it is a “consultative authority decision making model” which is “informal top-down

²⁰ Ali (1993) classification contains the following decision making styles: autocratic, pseudo-consultative, consultative, participative, pseudo-participative and delegatory.

hierarchical decision making process in which male leaders at the top, who retain relatively unquestionable authority, make decisions after consultations that range from appearance of to resemblance of participation". Dissimilar to social environment where the submission to the leader is more based on mutual agreement, in business environment the lower is the level of organizational hierarchy, the less important and binding are these consultations. Therefore, consultations are not used with the aim of improving the quality of decisions but of pleasing the ego of the participants, easing tension and creating harmonious environment (Abdalla et al., 2001). This is just an attempt to convey an impression of consultations being held in order to improve manager's image, in other words, to reach an agreement with the subordinates on the already made decisions.

Usually a limited number of people are consulted and Arab managers do not expect any opposition from subordinates. If situation leads to confrontation, subordinates may choose to withdraw. Typically, Arab managers also try to avoid conflicts. However, if conflicts arise, managers favour authoritarian approach to resolving them (Bjerke et al., 1993). As Arab culture is intolerant of mistakes, many middle- and low-level managers avoid making their own decisions (Al Rasheed, 2001). Furthermore, Arab society is based on hierarchical relations. As long as inferiors obey superiors' orders and ask for guidance, superiors act as patrons and are fond of inferiors. In other words, the relationship between inferiors and superiors are maintained through fear or admiration (Abdalla et al., 2001). Therefore, in reality an Islamic concept of *shura* is consistently violated.

Managers with social background in cities and villages are more likely to use a 'pseudo-consultative' approach than those coming from desert territories. Similarly, Kuwaiti managers are more inclined to adopt this approach in comparison with Saudi managers. Production, research, accounting and finance managers also prefer 'pseudo-consultative' approach more frequently than managers from other areas of work (Ali, 1989). As this approach might slow down a decision making process and hamper changes, some Western business partners might become disappointed during the negotiations. Nevertheless, Westerners should remember that consultation plays an important role in Arab society and requires modesty. Aloofness and boasting could seriously undermine business relations (Ali et al., 1997).

2.2 Japan

2.2.1 Social and cultural environment

Hofstede et al. (1988) have maintained that such concepts as hierarchy, collectivism and consideration of context play more crucial part for East Asians because of their predetermined roles within compound stable social networks. Recently, Nisbett (2004) has reported similar results: in comparison with Americans who focus on the main theme and relevant specific details, East Asians usually think in a more holistic manner and consider context. The Japanese contrast their own way of thinking which is dominated by synthesis, self-perception of subjective and emotions with Western style which is objective, analytical, retroflex and neutral (Nagashima, 1973). Pascale (1978) finds that Japanese managers judge themselves much higher on decision and implementation quality than American managers do. At the same time, for Japanese executives, in contrast to Western counterparts, decision making could be irrational and emotional procedure denoted as ‘bounded or subjective rationality’ (Fukuda, 1988). In other words, Japanese managers prefer analyzing simplified and not real situations.

Dissimilar to research into other countries, the overwhelming majority of studies into Japan date back to the late 1970s and early 1980s. It was a period when Western scholars were looking for explanations for unprecedented achievements of Japanese manufacturing sector and exploring the opportunities for copying Japanese practices (Makino et al., 2010).

In Japan, power and responsibility for making decisions are shared by a group of managers (McMillan, 1980; Nonaka, 1988). Unlike individualistic Western counterparts, Japanese managers consider individuality as a sign of immaturity (Fox, 1977). Therefore, cooperation and coordination, close and warm relationship with inferiors, prevention of opposition and conflicts between them and control over personal feeling are essential attributes a good Japanese manager should possess (Taleghani et al., 2010).

2.2.2 Decision making style

In management decision making a ‘*ringi seido*’ system (also known as ‘*nemawashi*’ (Sagie et al., 2003) or ‘middle-up-down’ process (Nonaka, 1988) is widely used when a proposal being prepared and submitted by middle-level managers is distributed among the involved company departments for getting feedback and revision (McMillan, 1980; Abramson et

al., 1996; Trevor, 2012). Once all the departments have approved it²¹, the proposal is forwarded to top management for final discussion, accept and implementation. Therefore, the delegation of authority to subordinates makes managers behave more like facilitators and not like decision makers. According to Okamoto et al. (2009), '*ringi seido*' is just the first informal stage of decision making process in Japanese companies. Consequently, at the next stage the formal procedure is followed and actual official meetings are organised. Recent research (Martinsons et al., 2007) has confirmed that '*ringi seido*' decision making style is still predominant in Japanese companies²².

The circulation of proposals significantly slackens the process. Therefore, McMillan (1980) has noted that Japanese managers demonstrate perfectionism in long term and suffer from 'paralysis' in short term. Abramson et al. (1996) have provided similar empirical evidence that Japanese managers are slower decision makers compared with American and Canadian counterparts. Nevertheless, once the decision is made its "fast and smooth implementation" compensates for any procrastination (Martinsons et al., 2007: 294).

Generally, the basic concepts of '*ringi seido*' comply with such characteristics of Japanese culture as avoiding social disagreement and overt conflicts, maintenance of harmony, preference for informal negotiation and emphasis on consensus (Ohbuchi et al., 1999). Moreover, in holistic Japanese culture all the alternatives are discussed before making decision in comparison with sequence-oriented Western culture when alternatives are discussed in a pre-planned sequence (Fukuda, 1988).

Nevertheless, a number of scholars believe that '*ringi seido*' is just a nice façade. For example, according to Fox (1977), '*ringi seido*' is 'consensual understanding' and not a decision making by consensus because in practice this procedure is nothing but "formalization of a suggestion from higher

²¹ Porter (1996) sharply criticizes this approach. He argues that economic success of Japanese companies in the late 1970s and 1980s was due to operational effectiveness and not an effective strategy: "Japan is notoriously consensus oriented, and companies have a strong tendency to mediate differences among individuals rather than accentuate them. Strategy, on the other hand, requires hard choices" (Ibid.: 63). For him, the lack of this effective strategy is to blame for Japanese recession in the 1990s. Recently, Japanese scholars (Numagami et al., 2010) have also argued that giving strong preference to internal consensus ('*ringi seido*' system) invariably results in a slower reaction to competitors' innovations and lower client satisfaction.

²² However, there is evidence (Makino et al., 2010) that nowadays some Japanese managers aspire to make '*ringi seido*' less complex, more formal, manageable and bureaucratic.

management” (*Ibid.*: 79-80) who has already discussed a first draft prior to its dissemination. Not surprisingly, few if any proposals are vetoed when they come back to the top managers. Stewart (1982) concurs with this point of view. Tsurumi (1978) is even more sceptical and characterizes ‘*ringi seido*’ as ‘personality-based’ system which is focused just on “selling ideas and decisions to others” (Tsurumi, 1978: 60).

As the results of cross-cultural comparisons are not consistent, Sagie et al. (2003: 464) believe that “in western eyes, participative decision making in Japan is an enigma”. For example, a number of scholars (Totoki, 1990; Peterson et al., 1994; Taleghani et al., 2010) maintain that traditionally Japanese managers prefer teamwork, participative decision making and the delegation of authority to team members. In contrast, Kustin et al. (1996: 120) argue that “submissive and conforming relationships are nurtured within the general Japanese environment leading to autocratic styles. Japanese corporations are more centralized [...] than US corporations.” Sagie et al. (2003) have made a successful attempt to resolve this apparent contradiction and provided clarification. Low individualism and high power distance are the main characteristics of modern Japanese society where, unlike the developing countries, collectivism crosses family boundaries and is widespread at the workplace. Thus, workers are identified with the company and their opinion does matter. High power distance means that order and hierarchy play an important role. The relationship between people in a high and low position is a particular trait of Japanese society and is similar to the relationship between parents and child (known as ‘Oyaboon’ and ‘Kerboon’) (Taleghani et al., 2010). However, unlike Western counterparts, employees in Japan do not consider participation and authority as conflicting concepts. Instead, they complement each other. On the one hand, Japanese managers encourage subordinates to make suggestions and try to achieve consensus. On the other hand, managers expect subordinates to meet deadlines, obey their decisions and respect managers.

Similarly, Pascale (1978) findings contradict the findings of other studies (Johnson et al., 1974; Yoshino, 1982) that Japanese managers adopt a consultative approach to decision making more often than American managers. As other studies were based mostly on researchers’ impressions and decision making experiments in laboratories, biased research methodology could be to blame. Pascale (1978) suggests that face-to-face communication could have been mistaken by researchers for consultative approach. Face-to-face communication might be more frequent and active due

to, firstly, particularities of Japanese language, when written communication (hieroglyphics by hand) is time-consuming, and, secondly, specifics of open working space, where managers from different hierarchical levels work next to one another and their subordinates. Yoshino (1982) suggests a different hypothesis: face-to-face communication helps managers interpret more efficiently detailed information which – according to Japanese cultural tradition - is generated to control uncertainty. This contrasts with Western style when uncertainty is reduced by gaining specialized knowledge of the issue.

Using Decision Style Inventory as a theoretical framework, Boulgarides et al. (1985) find conclusive empirical evidence of the closeness of decision making styles of Japanese and Korean managers and their dissimilarity to the ones adopted by American managers. Another study (Martinsons et al., 2007) has revealed significant differences between management decision making by Japanese, Chinese and American executives. Decision making is found to be influenced by a strong desire for affiliation in Japan and personal power in China. In the USA, it is the need for achievement and inclination to make decisions which responds to challenges or gives opportunities to be praised. In addition, ‘behavioural decision style’ of Japanese executives is manifested by their orientation towards defending group interests, usage of intuition instead of data, maintenance of existing relationships or assistance with building the new ones. In the same vein, affiliation, harmony, group values, openness to wider range of information sources and inclination to observations are found to be typical features of Japanese managers’ cognitive process (Abramson et al., 1996).

Unlike other variegated studies, Schneider (1989) makes an attempt to develop a universal model. She has identified the ‘controlling’ and ‘adaptive’ approaches to strategic management decision making. In the former mostly quantitative and objective information is used and hierarchically the process goes from top to down. In the latter predominantly the qualitative and subjective information is used and the direction of the process is from bottom to top. Whereas the ‘controlling’ approach is usually adopted by hierarchical and individualistic societies which are focused on tasks, for example, the USA, the ‘adaptive’ approach is common in collectivistic societies with low hierarchy and high social orientation, for example, Japan. This ‘dualism’ is criticized by Builjens et al. (1996) who point out the difficulty with using this model for classifying other countries with ‘mixed’ characteristics.

3 DISCUSSION AND CONCLUSIONS

Although both Arab countries and Japan belong to the type of society that could be described as collectivistic, the influence of national culture results in completely different decision making styles. In the Arab world companies emerged as an integral part of socio-cultural environment. In essence, they are a derivative of Islamic values and Arab tribal traditions. It seems that nowadays Arab managers still play the role of tribe leaders (sheikhs). They perceive themselves as the guardians and fathers of their employees and exhibit aggressive and authoritarian behaviour towards members of other groups (rival tribes). Though a number of studies have revealed that recently a participative decision making style has been growing in popularity, many managers still favour a consultative style which on closer examination possesses many distinguishing characteristics of pseudo-consultative style. Specifically, consultations do not aim to improve the quality of decisions but to please the ego of the participants. Thus, it is just an attempt to convey an impression of consultations being held in order to improve manager's image, in other words, to reach an agreement with the subordinates on the already made decisions.

In Japan, power and responsibility for making decisions are shared by a group of managers because individuality is considered as a sign of immaturity. Cooperation and coordination, close and warm relationship with inferiors form the basis of good management practice. Decision making process involves the preparation and submission of proposal by middle-level managers and its further distribution among other departments for receiving feedback and undergoing revision. If proposal is approved by all parties, it is forwarded to top executives for final discussion, accept and implementation. Thus, managers act like facilitators and not like decision makers. This decision making process reflects defining characteristics of Japanese culture, for instance, avoidance of social disagreement and conflicts, maintenance of harmony, predominance of informal negotiations and preference for consensus. Like Arab countries, Japanese society is based on the relationship between people in a high and low position that is similar to relations between parents and child. However, in contrast to the Arab society, in Japan collectivism crosses family boundaries and is widespread at the workplace. In result, employees' opinion is important to managers who are focused on achieving consensus and encouraging subordinates to make suggestions. Simultaneously, managers expect subordinates to meet deadlines, obey decisions and respect managers.

A comparative analysis of decision making styles in Arab and Japanese countries provides clear evidence of a vital role played by national culture in management practice. Therefore, Abdalla et al. (2001: 507) make a valid point when they argue that “[..] it is evident that strategies to increase the effective functioning of organisations cannot be based on management and practices imported wholesale from abroad but on indigenous practices that emerge from the specific cultural context of the particular society”.

Although the reviewed studies are an invaluable source of information, the following recommendations to scholars could be made for developing new insights into the impact of national culture on management decision making processes and styles.

- a) Though Arab culture is a strong unifying element, in practice traditions in different Arab countries are not homogenous. Moreover, nowadays globalization pressure makes the Arab world more dynamic and diversified (Barakat, 1993; Hill et al., 1998). Therefore, more studies not only into the Arab world in general, but also in its constituent countries are encouraged.
- b) At present, many cross-cultural studies (cf. Builjens et al., 1996) have used relatively small samples and a limited range of cultural dimensions ignoring those which are difficult to measure (for instance, masculinity-femininity and uncertainty avoidance). Larger samples and analysis of additional dimensions would considerably strengthen the external validity of findings.
- c) A young generation of business executives is believed to be more exposed to foreign influences (Ali, 1989; Martinsons et al., 2007). Scholars are invited to compare and examine the impact of national culture on managers of different age.
- d) More studies are encouraged to follow a recommendation (Pascale, 1978) not to consider national culture as *a priori* dominant explanatory variable. Instead, basic organizational theory could become a starting point whereas national culture could be perceived just as mediating variable.
- e) Up to now, it has been theoretical framework of cultural dimensions (Hofstede, 1980, 1991) which dominates cross-cultural studies in management. Researchers are encouraged to use other frameworks, for example, developed by Schwartz et al. (1987), Triandis (1994), House et al. (2004) or Trompenaars et al. (2000) more extensively. The variability of frameworks would give an opportunity to examine phenomena from

different perspectives, extend current boundaries and make valuable further contribution to the current state of knowledge.

AFFILIATION

This study was not supported by any grant agency.

CITATION LIST

- [1] ABDALLA I., AL-HOMOUD, M. *Exploring the implicit leadership theory in the Arabian Gulf states*. Applied Psychology: An International Review 50(4): 506-531. 2001. ISSN 1464-0597.
- [2] ABRAMSON, N. R., KEATING, R. J., LANE, H. W. *Cross-national cognitive process differences: A comparison of Canadian, American and Japanese managers*. Management International Review 36(2): 123-147. 1996. ISSN 1861-8901.
- [3] ADLER, N. *International dimensions of organizational behaviour*. Belmont: Wadsworth Publishing Company, 1991. ISBN 0534922740.
- [4] ALBAUM, G., YU, J., WIESE, N., HERCHE, J., EVANGELISTA, F., MURPHY, B. *Culture-based values and management style of marketing decision makers in six Western Pacific Rim countries*. Journal of Global Marketing 23(2): 139-151. 2010. ISSN 0891-1762.
- [5] ALI, A. J. *Decision style and work satisfaction of Arab Gulf executives: a cross-national study*. International Studies of Management and Organization, 19(2): 22-37. 1989. ISSN 0020-8825.
- [6] ALI, A. J. *Management theory in a transitional society: The Arab's experience*. International Studies of Management and Organisation 20(3): 7-35. 1990. ISSN 0020-8825.
- [7] ALI, A. J. *Decision making style, individualism and attitudes toward risk of Arab executives*. International Studies of Management and Organization 23(3): 53-74. 1993. ISSN 0020-8825.
- [8] ALI, A. J., AZIM, A. A., KRISHNAN, K. S. *Expatriates and host country nationals: Managerial values and decision styles*. Leadership & Organization Development Journal 16(6): 27-34. 1995. ISSN 0143-7739.

- [9] ALI, A., SCHAUPP, D. *Value systems as predictors of managerial decision styles of Arab executives.* International Journal of Manpower 13(3): 19-26. 1992. ISSN 0143-7720.
- [10] ALI, A. J., TAQI, A. A., KRISHNAN, K. *Individualism, collectivism, and decision styles of managers in Kuwait.* Journal of Social Psychology 137(5), 629-637. 1997. ISSN 0022-4545.
- [11] AL-JAFARY, A., HOLLINGSWORTH, A. T. *An exploratory study of managerial practices in the Arabian Gulf region.* Journal of International Business Studies 14(2): 143-152. 1983. ISSN 0047-2506.
- [12] AL RASHEED, A. *Features of traditional Arab management and organization in Jordan business environment.* Journal of Transnational Management Development 6(1-2): 27-53. 2001. ISSN 1528-7009.
- [13] AL-YAHYA, K. O. *Power-influence in decision making, competence utilization, and organizational culture in public organizations: The Arab world in comparative perspective.* Journal of Public Administration Research and Theory 19(2): 385-407. 2009. ISSN 1053-1858.
- [14] BADAWY, M. K. *Styles of mid-eastern managers.* California Management Review 22(2): 51-58. 1980. ISSN 0008-1256.
- [15] BARAKAT, H. *The Arab world: Society, culture and the state.* Berkeley: University of California Press, 1993. ISBN 0520084276.
- [16] BJERKE, B., AL-MEER, A. *Culture's consequences: Management in Saudi Arabia.* Leadership & Organization Development Journal 14(2): 30-35. 1993. ISSN 0143-7739.
- [17] BOULGARIDES, J. D., OH, M. D. *A comparison of Japanese, Korean and American managerial decision styles: An exploratory study.* Leadership & Organization Development Journal 6(1): 9-11. 1985. ISSN 0143-7739
- [18] BUITJENS, R. P. M., NOORDERHAVEN, N. G. *The influence of national culture on strategic decision making: A case study of the Philippines.* Tilburg University, FEW Research Memorandum. Volume 731. 1996.
- [19] CROOKES, D., THOMAS, I. *Problem-solving and culture: Exploring some stereotypes.* Journal of Management Development 17(8): 583-591. 1998. ISSN: 0262-1711.

- [20] DERESKY, H. *International management: Managing across borders and cultures*. New York: Harper Collins, 1994. ISBN 0065001516.
- [21] EARLEY, P. C., SINGH, H. *International and intercultural management research: What's next?* Academy of Management Journal 38(2): 327-340. 1995. ISSN 0001-4273.
- [22] FOX, W. M. *Japanese management: Tradition under strain*. Business Horizons 2(4): 76-85. 1977. ISSN: 0007-6813.
- [23] FRANCESCO, A. M., GOLD, B. A. *International organizational behaviour: Text, cases, and skills*. New Jersey: Pearson Prentice Hall, 2005. ISBN 013100879X.
- [24] FUKUDA, J. K. *Japanese-style management transferred: The experience of East Asia*. New York: Routledge, 1988. ISBN 041501266X.
- [25] GROSSE, R., SIMPSON, J. E. R. *Managerial problem-solving styles: A cross-cultural study*. Latin American Business Review 8(2): 41-67. 2008. ISSN 1097-8526.
- [26] HAMMOUD, J. *Consultative authority decision making: On the development and characterization of Arab corporate culture*. International Journal of Business and Social Science 2(9): 141-148. 2011. ISSN 2219-1933.
- [27] HESSELING, P., KONNEN, E. E. *Culture and sub-culture in a decision making exercise*. Human Relations 20(1): 31-51. 1969. ISSN 0018-7267.
- [28] HILL, C.E., LOCH, K. D., STRAUB, D., EL-SHESHAI, K. *A qualitative assessment of Arab culture and information technology transfer*. Journal of Global Information Management 6(3): 29-38. 1998. ISSN: 1062-7375.
- [29] HOFSTEDE, G. *Culture's consequences: International differences in work-related values*. Newbury Park: Sage Publications, 1980. ISBN 080391444X.
- [30] HOFSTEDE, G. *Cultures and organizations: Software of the mind*. London: McGraw-Hill, 1991. ISBN 0077074742.
- [31] HOFSTEDE, G. *The business of international business is culture*. International Business Review 3(1): 1-14. 1994. ISSN: 0969-5931.

- [32] HOFSTEDE, G. *Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations*. London: Sage, 2001. ISBN 0803973241.
- [33] HOFSTEDE, G., BOND, M. H. *Hofstede's cultural dimensions: An independent validation using Rokeach's value survey*. Journal of Cross-Cultural Psychology 15(4): 417-433. 1984. ISSN 0022-0221.
- [34] HOFSTEDE, G., BOND, M. H. *The Confucius connection: from cultural roots to economic growth*. Organizational Dynamics 16(4): 5-21. 1988. ISSN: 0090-2616.
- [35] HOFSTEDE, G., HOFSTEDE, G. J. *Cultures and organizations: Software of the mind*. New York: McGraw-Hill, 2005. ISBN 0071439595.
- [36] HOUSE, R. J., HANGES, P. J., JAVIDAN, M., DORFMAN, P. W., GUPTA, V. *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Thousand Oaks: Sage, 2004. ISBN 0761924019.
- [37] HUFF, T. *The rise of early modern science: Islam, China and the West*. Cambridge: Cambridge University Press, 1993. ISBN 0521434963.
- [38] HUYETTE, S. *Political adaptation in Saudi Arabia*. Boulder: West View Press, 1985. ISBN 081330203X.
- [39] JOHNSON, R., OUCHI, W. *Made in America: Under Japanese management*. Harward Business Review 52(5): 61-69. 1974. ISSN 0017-8012.
- [40] KASSEM, M. S. *Strategy formulation: Arabian Gulf style*. International Studies of Management & Organization 19(2): 6-21. 1989. ISSN 15580911.
- [41] KAUR, R. *Managerial styles in the public sector*. Indian Journal of Industrial Relations 28(4): 363-368. 1993. ISSN 0019-5286.
- [42] KOLB, D. A. *Experiential learning: Experience as the source of learning and development*. Englewood Cliffs: Prentice-Hall, 1984. ISBN 0132952610.
- [43] KRAS, E. S. *Management in two cultures: Bridging the gap between U.S. and Mexican managers*. Yarmouth: Intercultural Press, 1988. ISBN 0933662734.

- [44] KUSTIN, R. A., JONES, R. A. *An investigation of Japanese/American managers' leadership style in US corporations*. Journal of International Management 2: 111-126. 1996. ISSN 1075-4253.
- [45] MAKINO, S., ROEHL, T. *Learning from Japan: A commentary*. Academy of Management Perspectives 24(4): 38-45. 2010. ISSN 1558-9080.
- [46] MANN, L., RADFORD, M., BURNETT, P., FORD, S., BOND, M., LEUNG, K., NAKAMURA, H., VOUGHAN, G., YANG, K. *Cross-cultural differences in self-reported decision making style and confidence*. International Journal of Psychology 33(5): 325-335. 1998. ISSN 0020-7594.
- [47] MARTINSONS, M. G., DAVISON, R. M. *Strategic decision making and support systems: Comparing American, Japanese and Chinese management*. Decision Support Systems 43: 284-300. 2007. ISSN 0167-9236.
- [48] MCMILLAN, C. *Is Japanese management really so different?* Business Quarterly 45(3): 26-31. 1980.
- [49] NAGASHIMA, H. *A reversed world or is it? The Japanese way of communication and their attitudes towards alien cultures*. In: HORTON, R., FINNEGAR, R. (eds.) Modes of Thought: Essays on Thinking in Western and Non-western Societies. London: Faber and Faber, 92-111. 1973. ISBN 0571095445.
- [50] NEGANDHI, A. R. *Comparative management and organization theory: A marriage needed*. Academy of Management Journal 18(2): 334-344. 1975. ISSN 0001-4273.
- [51] NISBETT, R. F. *The geography of thought: How Asians and Westerners think differently ... and why*. New York: Free Press, 2004. ISBN 0743255356.
- [52] NONAKA, I. *Toward middle-up-down management: Accelerating information creation*. Sloan Management Review 29(3): 9-18. 1988. ISSN 1532-9194.
- [53] NOORDERHAVEN, N. G. *Strategic decision making*. Wokingham: Addison-Wesley, 1995. ISBN 0201593939.

- [54] NUMAGAMI, T., KARUBE, M., KATO, T. *Organizational deadweight: Learning from Japan.* Academy of Management Perspectives 24(4): 25-37. 2010. ISSN 1558-9080.
- [55] OBERG, W. *Cross-cultural perspectives on management principles.* Academy of Management Journal 6(2): 129-143. 1963. ISSN 0001-4273.
- [56] OHBUCHI, K. I., FUKUSHIMA, O., TEDESCH, J. T. *Cultural values in conflict management: Goal orientation, goal attainment, and tactical decision.* Journal of Cross-Cultural Psychology 30(1): 51-71. 1999. ISSN 0022-0221.
- [57] OKAMOTO, K., TEO, S. T. T. *Forms of informal management controls in overseas Japanese companies: A qualitative study.* Employment Relations Record 9(1): 64-82. 2009. ISSN 1444-7053.
- [58] PASCALE, R. T. *Communication and decision making across cultures: Japanese and American comparisons.* Administrative Science Quarterly 23(1): 91-110. 1978. ISSN 0001-8392.
- [59] PETERSON, M. F., MAIYA, K., HERREID, C. *Adapting Japanese PM leadership field research for use in Western organizations.* Applied Psychology: An International Review 43(1): 49-74. 1994. ISSN 1464-0597.
- [60] PORTER, M. E. *What is strategy?* Harvard Business Review 74(6): 61-78. 1996. ISSN 0017-8012.
- [61] SAGIE, A., AYCAN, Z. *A cross-cultural analysis of participative decision making in organizations.* Human Relations 56(4): 453-473. 2003. ISSN 0018-7267.
- [62] SAVVAS, M., EL-KOT, G., SADLER-SMITH, E. *Comparative study of cognitive styles in Egypt, Greece, Hong Kong and the UK.* International Journal of Training and Development 5(1): 64-73. 2001. ISSN 1360-3736.
- [63] SCHNEIDER, S. C. *Strategy formulation: The impact of national culture.* Organization Studies 10(2): 149-168. 1989. ISSN 0170-8406.
- [64] SCHNEIDER, S. C., MEYER, A. *Interpreting and responding to strategic issues: The impact of national culture.* Strategic Management Journal 12(4): 307-320. 1991. ISSN 0143-2095.

- [65] SCHWARTZ, S. H., BILSKY, W. *Toward a universal psychological structure of human values*. Journal of Personality and Social Psychology 53(3): 550-562. 1987. ISSN 0022-3514.
- [66] SIDDIQUI, A. *Ethics in Islam: Key concepts and contemporary challenges*. Journal of Moral Education 26(4): 423-431. 1997. ISSN 0305-7240.
- [67] SIVAKUMAR, K., NAKATA, C. *The stampede toward Hofstede's framework: Avoiding the sample design pit in cross-cultural research*. Journal of International Business Studies 32(3): 555-574. 2001. ISSN 0047-2506.
- [68] SONDERGAARD, M. *Hofstede's consequences: A study of reviews, citations and publications*. Organization Studies 15(3): 447-456. 1994. ISSN 0170-8406.
- [69] STEWART, L. P. *A comparison of Japanese management and participative decision making: Implications for organizational communication research*. Paper presented at the annual meeting of the Eastern Communication Association (Hartford, Connecticut, 6-9 May 1982). 1982. [Online] Available at: <http://eric.ed.gov/?id=ED217502> [cit. 09.03.2017]
- [70] TALEGHANI, G., SALMANI, D., TAATIAN, A. *Survey of leadership styles in different cultures*. Iranian Journal of Management Studies 3(3): 91-111. 2010. ISSN 2008-7055.
- [71] TOTOKI, A. *Management style for tomorrow needs*. Journal of Business Logistics 11(2): 1-4. 1990. ISSN 2158-1592.
- [72] TREVOR, M. *Japan's reluctant multinationals: Japanese management at home and abroad*. London: Bloomsbury, 2012. ISBN 9781780934945.
- [73] TRIANDIS, H. C. *Culture and social behaviour*. New York: McGraw-Hill, 1994. ISBN 0070651108.
- [74] TROMPENAARS, F., HAMPDEN-TURNER, C. *Riding the waves of culture: Understanding cultural diversity in business*. London: Nicholas Brealey Publishing, 2000. ISBN 1857881761.

- [75] TSUI, A. S., NIFANDKAR, S. S., OU, A. Y. *Cross-national, cross-cultural behaviour research: Advances, gaps, and recommendations.* Journal of Management 33(3): 426-478. 2007. ISSN 0149-2063.
- [76] TSURUMI, Y. *The best of times and the worst of times: Japanese management in America.* Columbia Journal of World Business 13(2): 56-61. 1978. ISSN 0022-5428.
- [77] VROOM, V. H., YETTON, P. W. *Leadership and decision making.* Pittsburgh: University of Pittsburgh Press, 1973. ISBN 0822952653.
- [78] YOSHINO, M. Y. *Japan's managerial system: Tradition and innovation.* Cambridge: MIT Press, 1982. ISBN 0262240041.
- [79] YOUSEF, D. A. *Correlates of perceived leadership style in a culturally mixed environment.* Leadership & Organization Development Journal 19(5): 275-284. 1998(a). ISSN 0143-7739.
- [80] YOUSEF, D. A. *Predictors of decision making styles in a non-western country.* Leadership & Organization Development Journal 19(7): 366-373. 1998(b). ISSN 0143-77

AUTHORS

Valda Bratka, Dr. oec., leading researcher and Head of Department of Agrobusiness Information and Analysis, Institute of Agricultural Resources and Economics, 14 Struktoru Street, Riga, LV-1039, Latvia, e-mail: valda.bratka@arei.lv

Artūrs Praulīš, Dr. oec., researcher, Department of Agrobusiness Information and Analysis, Institute of Agricultural Resources and Economics, 14 Struktoru Street, Riga, LV-1039, Latvia, e-mail: arturs.praulins@arei.lv