

Reorienting Cross-Cultural Studies of Business

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The dollar is a language people understand all over the world... But now mark my words, if ever women do get the right of suffrage it will be through their showing the ability to win the dollar, and win it just as men do.

This path to equality was proposed by Susan King, who in 1872 went to Asia to set up the Women's Tea Company. While women have made considerable progress in "winning the dollar," their efforts have not been well chronicled by business historians or by researchers in cross-cultural studies of managers and entrepreneurs. This essay suggests six reorientations that could both improve cross-national business studies in general and result in a more balanced picture of women's involvement in business. These shifts in approach and revisions in theory originate from my experience in directing a major international project which has been analyzing women managers in eight countries in Western Europe and Asia. (The first publication resulting from the project is a background monograph analyzing the findings of 300 US studies related to women and business management.)

The first objective of this project is to establish a new, primary data base of quantitative information about women managers and to contrast cross-nationally the experiences of women in a range of cultural environments and historical backgrounds. One of the early findings to emerge from the study is that in places where most Americans think women in management would be making substantial gains, such as West Germany, they are in fact not doing very well. In other places, where the US perception would be that women are largely absent from the business community, such as Thailand and the Philippines, women executives are and have been significant participants in the managerial corps. The second goal of the project is to seek causation and to identify the economic, social, and historical factors that explain such great differences between countries in the level of women's participation in leadership positions in business.

In the project, women managers are being studied in eight countries: the United States; in Western Europe: England,

Sweden, Italy, and West Germany; and in Asia: Japan, Thailand, and the Philippines. In addition to the contrasts in cultural traditions between the countries, the selection is intended to represent a continuum of political and economic systems -- ranging from urbanized, postindustrial nations to developing countries with recently established industrial sectors. Within each region the country selections represent different levels of progress in accepting women executives, and different degrees of government intervention in support of egalitarian ideology.

This cross-national study is the first to deal with women managers in business. Women managers in the public sector and women managers of small, self-owned businesses are not included in the study. The material gathered in the early stages of research includes both entrepreneurial managers -- that is, women who own and directly operate businesses of a substantial size -- and professional managers -- that is, women working in corporations.

These comments on reorienting business research fuse examples from *preliminary* observations on both entrepreneurs and managers. This is necessary to gain a fuller picture of women in significant positions in business. Also, from a theoretical perspective, it is important that both entrepreneurial and professional managers be investigated. The project data suggest a linkage between these two groups; the existence in a country of substantial numbers of female entrepreneurial managers historically over several generations may be a key factor facilitating the general acceptance of female professional managers in this generation.

To reorient historical and cross-cultural studies of business to encompass women's participation, where would we begin? What should researchers change or reconsider?

(1) *Incorporate a greater sensitivity to the possibility of the presence of women, both as entrepreneurs and as managers.* There are many reasons why women have not been included in existing business studies. Sometimes the exclusion has been for the researcher's convenience because it eliminates the need to analyze another variable which may not be significant. Also, most US scholars in this field believe women simply are not there. The "maleness" of the managerial image is so pervasive and unquestioned by cross-cultural researchers that sex status has not been considered a variable worthy of concern in distinguishing types of managers or in describing managerial experiences. Similarly, researchers have not yet focused on the ways in which culture, in combination with certain social and economic factors, not only shapes the business environment but determines which groups will be considered appropriate candidates for the executive suite.

Hence, believing women are not there, researchers make little effort to connect to the networks which would produce the names of the women who are there. For instance, in Germany an approach to the national association of female entrepreneurs,

which has rigorous measures of corporate size as a prerequisite for membership, would produce the names of 2,000 women heading corporations in many fields from retailing to automobile parts.

The benefits of a sensitivity to the presence of women in business and to the patterns of their involvement are demonstrated in one international study of management operations which has included women among the respondents and which has had its conclusions strongly affected by their presence. Geert Hofstede's analysis of IBM is based on 115,000 male and female responses to questionnaires distributed throughout 40 countries where IBM has divisions. Hofstede has identified a masculinity-femininity dimension as one of the key aspects of the value system which affects how the organization modifies its approach to business in each of the countries where it operates.

(2) *Expand the geographical horizons beyond the countries commonly studied.* Other business historians, such as Herman Freudenberger in his Business History Conference presidential address, have pleaded for an expansion of "our intellectual desire for information" into new geographical areas. But it should be noted how much the country selection affects the probability of discovering meaningful material on women. Beyond the common frame of reference -- the United States, Western Europe, and Japan -- business scholars might reach quite different conclusions about women's role. The percentage of women in managerial positions in Europe and Japan is relatively low, despite a labor force characterized by high female participation. In contrast, certain developing countries in the Asian region appear to have strong representation of women in business. In Thailand, women are fairly well represented in the managerial ranks, and have been for the past 20 years. About 11 percent of the "administrative, executive, and managerial workers" are female. In the Philippines, 20 percent of the "administrative, executive, and managerial workers" are female, and one-third of the nation's "directors, managers, and working proprietors" are women. These figures compare well with the United States where women now constitute 24.6 percent of all managers and administrators. (Note, however, that this percentage includes all fields, not solely the business/industry complex where the percentage of women managers would be lower.)

(3) *Broaden the range and type of businesses studied beyond the typical emphasis on basic heavy manufacturing.* Historically, the US economic pattern has evolved through stages of production, marketing, finance, and services. Reflecting our historical experience, analysts of foreign business enterprises have chosen to focus on production, especially the heavy-manufacturing sector, for example, the histories of Krupp of West Germany and Rolls-Royce of England. In western experience, this is an area where women have been uncommon. In other regions of the world, this may not be the case; for example, in central Luzon, the largest

island of the Philippines, 90 percent of the rice-milling industry is female-managed.

However, especially overlooked in business studies has been the emergence of the financial community as the paramount sector in countries experiencing rapid forward surges in their economic development. When researchers look more carefully at the role of this group in national and regional economies, some striking contrasts to the US become evident, both in historical patterns of economic development and in the involvement of women. In Thailand and the Philippines, women's experience as small entrepreneurs has contributed to their strong cultural acceptance as managers of money. While there are few women in senior positions in American banking, in the Philippines 25 percent of bank officers of vice-president or above are female. Similarly, the Philippine association of certified public accountants is one of the few in the world headed by a woman, a CPA who is senior partner of Price, Waterhouse in the Philippines. The *Directory of Financial Investors* which lists the top financial officers of the larger Philippine corporations has 20 percent female entries.

(4) *Observe more carefully the relationship between the position of manager and the culturally assigned status for that profession.* Most of the good studies of managers in other nations have been careful to define the responsibilities of managers in the organizational setting of the corporation and to compare these duties or powers with those of US managers (for example, mid-level managers in Italy have much less decision-making power than their US counterparts). But we need to understand more fully the significance of the business role beyond the organization, as a function of the total social structure. The position of manager or of businessman on the scale of social rankings may predetermine what groups will or will not be recruited into business. In a classic article 30 years ago, John E. Sawyer demonstrated how "the persistence of diffused feudal values and goals" in France has meant that "business has not been the 'natural' choice of those enjoying the greatest advantages, either of birth or of talent and training." Such analyses of the business role with reference to the social order are keenly needed, especially in nonwestern countries. For instance, the relatively strong participation of women in business in some nations could be related to the orientation of men to occupations higher on the prestige scale, such as politics and government service in the Philippines or the military in Thailand.

(5) *Broaden the concept of businessmen to encompass meanings which may be used in other cultural contexts.* Such modifications, in the different countries studied, should not be undertaken specifically to attempt to include more women, but in order to be faithful to the meaning as it is applied in the cultural context. However, the result may be to perceive women in roles where our present concept excludes them. For instance, in Italy the closest

equivalent to manager is *dirigente*. If the study of managers in Italy is approached with a US-style meaning to the term, one would find very few women. However, *dirigente* is a managerial status which also includes staff in numerous positions of responsibility -- the "expert" or specialist positions which in the US would not usually be termed "management." In one of Italy's largest corporations, an auto manufacturer, one of the two highest-ranking women oversees a large staff and budget and is responsible for the company's labor union negotiations. The other woman has no budget, no staff, and manages the work of no one else. But her position is crucial to the firm, since she is the specialist responsible for monitoring foreign auto import regulations. By the prevailing US-based concept of manager, only the first woman would be considered to be a manager, but for Italians, both women are *dirigenti*.

(6) Consider in the research design the paradigm shift underway in the social sciences from intrapsychic/individual/trait explanations toward an approach which focuses on structural or system factors. Traditional business studies, inspired by the writings of Schumpeter, McClelland, or Hagen, have focused on psychological qualities and on the values of individuals in business. Until recently, most studies specifically on women in business in the US have followed a similar approach, for example, Hennig and Jardim's *The Managerial Woman*. However, the approach to research is now shifting from trait theories to structuralist theories, as, for example, articulated in the work of Rosabeth Moss Kanter. In *Men and Women of the Corporation*, Kanter argues that "individual models absolve the system of responsibility for manufacturing the psychology of their workers.... But to a very large degree, organizations make their workers into who they are." What appears to be sex differences in work behavior emerge as "responses to structural conditions, to one's place in the organization."

A reorientation toward analyzing such structural conditions can lead to new directions in research which challenge common assumptions in the whole field of business studies. In the United States, for example, the low percentage of women in middle- and high-level decision-making positions in business is frequently explained by referring to a background variable, that is, few women have been aggressive and interested enough to obtain an M.B.A. degree. When the situation is examined from a structuralist perspective and when the experience of women in other countries without an M.B.A. tradition is compared with that of the US, quite different explanations emerge -- for example, the patterns of corporate recruiting, different requirements for male and female candidates, the differential treatment of women in corporate postexperience training programs, the size of the corporation, the proportion of women at different levels of hierarchy within an organization.

Exploring the dynamics of the organizational environment, especially such issues as access to the power structure, is a difficult task for researchers and requires much more complex measures than asking about the family and educational background of business leaders. However, this reorientation, and the others proposed in this essay, open new and enriching possibilities for a wide range of historical and cross-cultural research, including the role of women in the business community.

NOTES

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