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Chapter 3

The Role of National Cultures in Shaping the Corporate Management Cultures: A Three-Country Theoretical Analysis

Mohammad Ayub Khan and Laurie Smith Law

Abstract

This chapter explores answers to the question that how national cultures influence the management cultures of organizations. In this case, therefore, differences and similarities among the national cultures of Pakistan, Mexico, and the USA are under investigation in order to analyze the impacts of such differences and similarities on the management cultures of organizations located in these countries. The outcomes of the analysis based on the existing literature suggest that differences in national cultures greatly influence the way organizations are managed in these countries. These findings present cross-cultural management challenges for organizations working in these countries, especially when they want to build trilateral or bilateral business partnerships. This is in addition to the fact that the USA and Mexico are geographically far from Pakistan.

Keywords: corporate culture, cross-cultural management, management style, national culture, Pakistani national culture

1. Introduction

The role of culture in influencing international business management practices and approaches is an undisputed fact [1, 2]. Studies have shown repeatedly that national cultural systems as well as individual cultures greatly affect the corporate cultural system [3, 4] in many ways. For example, national culture influences managerial decision-making, leadership styles, and human resource management practices [5, 6]. Similarly, national cultures affect managerial functions such as communication, motivation, organizational design, people’s expectations of...
work design, and reward systems [7]. Moreover, organizational policies (e.g., human resource policies) are influenced by various national institutions such as labor laws, educational and vocational training practices, and industrial standards and regulations [8]. In essence, culture organizes values into mental programs and the behavior of people within organizations is an enactment of such programs [9]. Organizations can be the same in such objective dimensions as physical plant, layout, or product, yet very different in the meanings, which the surrounding human cultures read into them [10]. Not only technologies and markets shape organizational culture, but by the cultural preferences of leaders and employees, national culture has a strong impact on people’s interpretations, understandings, and assessments of those with whom they work. Cultural values are important for interpersonal trust, teamwork, and the role of women in the workplace, among other issues [11, 12]. Cultural differences play a significant role in the way people conduct their lives and behave on the job. Culture is the interactive aggregate of common characteristics that influence a human group’s response to its environment [13]. Cultural differences, if not understood and appreciated well, can lead to failures in business and social life [14]. Several studies, for example, [15] are available on the importance of learning about national cultures and the impact of national cultures on the operations of organizations. However, there are no studies on the issue of organizational cultural differences and similarities between Mexico, Pakistan, and the USA. That being the case, there is a dearth of literature on this subject and this chapter attempts to address this issue. In particular, this chapter intends to answer the following questions:

1. Are the national cultures of Pakistan, Mexico, and the USA same or different?
2. How national cultures influence the management cultures of organizations?
3. Are there differences and similarities between the management cultures of organizations of the three countries under study?
4. What if there are differences and similarities between the management cultures of organizations of Pakistan, Mexico, and the USA?

2. Literature review

In order to answer the questions above, this chapter (1) explains the national culture and its scope, (2) analyzes the cultures of Pakistan, Mexico, and the USA, (3) explains management culture of organizations, and (4) compares and contrasts the management cultures of organizations of Pakistan, Mexico, and the USA. In particular, the literature review focuses on the role of national cultural variables in influencing the management cultures of organizations as shown in Figure 1.

2.1. Culture: concept and scope

The role of national cultures in shaping organizational work environment and other social institutions has been studied by several researchers in the field (i.e., [16]). Culture is all that what we share with other members of our nation, region, or group but not with members of other
nations, regions, or groups [17]. Culture encompasses values, which are shared between people within a particular social setup with specific nationality or country of origin [18]. "Culture is created, acquired, and/or learned, developed, and passed on by a group of people, consciously or unconsciously, to subsequent generations. It includes everything that a group thinks, says, does, and makes—its customs, ideas, mores, habits, traditions, language, and shared systems of attitudes and feelings—that help to create standards for people to coexist [19]." Culture is also considered as an independent environmental variable specific to one specific country [20]. Furthermore, “Culture is the programming of the mind, which distinguishes the members of one human group to another. Being more precise, culture is a pattern of basic assumptions— invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration [9].” In essence, culture is embedded in everything we do, what we have, and what we think. Culture is learned through membership in a group and is composed of set of values, assumptions, and beliefs and that influence the attitudes and behaviors of group members [14]. In fact, culture is a set of distinctive spiritual, material, intellectual, and emotional features of society or a social group; it encompasses art and literature, lifestyles, ways of living, value systems, traditions, and beliefs [21].

2.2. Understanding the national cultural system

The national cultural system is made of values, beliefs, and is the collective programming of mind [7]. The national cultural system is also defined as “a set of historically evolved, learned and shared values, attitudes and means. The term nation refers to culture, social, economic and political institutions influence how organizations are managed in different environments [16].” In order to analyze and understand national cultural systems, cultures are classified into different levels: individual; group; organizational; industrial, national, and geographic regions [14]. Cultures are also grouped based on inner elements (i.e., history, beliefs, values, and work view), cultural activities (i.e., roles, art, communication patterns, rules, customs, technology, and material culture), and cultural systems (i.e., religion, economic, law, education, social organization, family, health, and politics) [22–24]. Over the past several years, different authors (as shown in Table 1) have used different dimensions to analyze and classify national cultures systems.

Since in this chapter, some of the dimensions of national culture proposed by [9, 25] are being studied; therefore, the five dimensions of national cultures of [25] are briefly explained in the following:
1. Power distance: the degree of equality, or inequality between people in a society.

2. Individualism vs. collectivism: the degree to which people of a society understand themselves as individuals, as apart from their group.

3. Masculinity vs. femininity: the degree the society reinforces or not the traditional masculine work role model.

4. Uncertainty avoidance: the degree to which people in a society feel uncomfortable in unexpected, surprising, and unknown situations.

5. Long-term vs. short-term orientation: the degree people attach importance to a future-oriented way of thinking rather than to a short-term oriented one.

Most of the studies undertaken on differences in national cultures and the impact of such differences on organizations find national cultures having profound effects on leadership style, communication, motivation, organizational design, people expectations of work design, and rewards in organizations [7]. Though national and organizational cultures are different in that that national cultural differences reside mostly in values and less in practices, whereas organizational cultural differences reside in practices, less in value [13, 9, 26]; however, they are interdependent and by that it means that national cultures influence directly or indirectly organizational cultures and vice versa. The national cultural identity is considered fundamental for individual characteristics such as self-esteem, functional effectiveness, mental health, and quality of life [21] and thus having direct effects on the managerial styles within organizations.

2.3. The national cultural variables

The national cultural system is composed of diverse variables including language, religion, rules and regulations, political system, social organization, history, economy, technology, education, values, attitudes, customs, traditions, concept of time, music, art, and architecture, for

<table>
<thead>
<tr>
<th>Authors/years</th>
<th>National cultural dimensions</th>
</tr>
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<tbody>
<tr>
<td>Kluckhohn and Strodtbeck (1961)</td>
<td>Human nature orientation; man-nature orientation; time orientation; activity orientation; relational.</td>
</tr>
<tr>
<td>Parsons and Shils (1962)</td>
<td>Affectivity-affective neutrality; self-orientation-collectivity-orientation; universalism-particularism; ascription-achievement; specificity-diffuseness.</td>
</tr>
<tr>
<td>Schwartz (1992, 1999)</td>
<td>Conservatism vs. autonomy; hierarchy vs. egalitarianism; mastery vs. harmony.</td>
</tr>
<tr>
<td>Trompenaars and Hampden-Turner (1997)</td>
<td>Universalism vs. particularism; individualism vs. communitarianism; specific vs. diffuse; neutral vs. emotional; achievement vs. ascription; sequential time vs. synchronous time; internal direction vs. outer direction.</td>
</tr>
<tr>
<td>House et al. (2004)</td>
<td>Power distance; uncertainty avoidance; assertiveness; institutional collectivism; in-group collectivism; future orientation; performance orientation humane orientation; gender egalitarianism.</td>
</tr>
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</table>

Table 1. Classification of national cultures.
instance. Notwithstanding, in this chapter, a few of these variables are being studied in order to compare and contrast the national cultural systems of the three countries under study.

2.3.1. Religion

Religion plays the role of a foundation stone in every aspect of human life [27]. With regard to the role of religion in one’s professional life, Weber [28] suggests that, for example, the Protestants work ethic promotes hard working, saving money, and managing time well and therefore, leisure activities (going to bar, nightclubs, gambling) are not well seen [29]. Furthermore, working is seen as a way to receive God’s blessing and mercy and therefore, working is viewed as the most important obligation in one’s life [28]. Work is believed to contribute to the overall well-being of the individual and society around [30]. The influence of religion is also found in building positive attitude toward work, organizational commitment, and job quality. Protestantism emphasizes hard work, individual achievement, and a sense that people can control their environment [30]. Similarly, the religion of Islam places great importance on the role of work and working in one’s life. Time should not be wasted and planning is important to achieve good results. Islamic messages and guidance vehemently support contributing to the development of the world. In Islam, work is given special importance to the extent that it is considered as an act of worship itself [31, 32]. Therefore, Islam lays a lot of emphasis on work and the need for man to work in earning his livelihood so as to be independent, self-sufficient, and in order to uphold his dignity among his peers and in his community/society. Employees have to fulfill their jobs for the societal obligation with the purpose to seek pleasure of Allah. Muslim must perform his duty as a religious obligation, and motivational reward is not only linked with earthly reward but also awarded in the hereafter [32]. Employees must adhere to diligence and efficiency as well as fairness in preserving public interest. Religion is a system of common beliefs or attitudes concerning a being or a system of thought that people consider sacred, divine, or the highest truth. Religion also incorporates the moral codes, values, institutions, traditions, and rituals associated with this system. Religion influences culture and therefore business and consumer behavior, in various ways [32].

2.3.2. Social organization

Social organization is another key element of nation cultural system. Different cultures have different social systems or system to organize the society around family systems, neighborhood, ethnic groupings, and tribal systems for instances [33]. The social organization is also about how these variables (of social organizations within each cultural system) are defined and interpreted. For example, family may include your immediate or direct relatives including your wife/husband and children (which is also called a nuclear family system) in one culture; and your wife/husband, children, parents, uncles, cousins, etc., are in other cultures (which is considered extended or traditional family system). Whether nuclear or extended, the family is a social group characterized by common residence, economic cooperation, and reproduction [33]. Social organizations as a national cultural component also include aspects of ethnicities, classification based on economics, family trees, distribution of roles and responsibilities among gender (male and female), and social hierarchies so and so forth [33].
2.3.3. Language

The role of language as a national cultural component is undebatable in the field of international business and management. It is not only important for business or management communication but also and most importantly, it shows the insight of a culture. Learning the language of the host country helps understanding the cultural sensitivities of the local employees and managers [34]. Language has both verbal (words) and nonverbal (facial expressions and gestures) characteristics. Languages are also classified as high and low context [34]. The low-context language-speakers focus on the words, message, and the content when communicating, whereas the high-context language-speakers focus more on the context, surroundings, and how the words are communicated. The low-context language-speakers tend to depend on the clarity of the message, written documents, preciseness, and information-rich document. As a result, speakers must rely more heavily on providing greater message clarity, as well as other guarantees like written documents and information-rich advertising. High-context communicators generally look for long-term personal relationships, mutual trust, and personal prestige [35]. In high-context communication, the message cannot be understood without a great deal of background information.

Low-context communication spells out more of the information explicitly in the message [34]. In low-context cultures, context is less important; most information is explicitly spelled out [35]. The role of language is fundamental for conversations, establishing and managing interpersonal affairs, managing organizations beyond the national borders, and leading multinational agreements and relationships [36]. Our histories, traditions, knowledge are preserved and disseminated through language. Language and linguistic structures are culture-centered which means while the culture supplies the meaning and meaning-making mechanisms, language in itself provides the symbols to support the delivery of such meanings to the intended audience or target [36]. In nutshell, language reflects the culture in that it presents ideas, thoughts, and artifacts and is a channel of sharing information, knowledge, values, experiences, and thoughts [36].

2.3.4. Time concept

This element of the national cultural system describes that how individuals in a particular cultural group approach to manage time. Time concept includes feeling, perception, and use of time. Either the nature or individuals control time. Time is money and thus can be wasted and invested. In cultures where time is perceived as controllable factor, people tend to be punctual, agenda-oriented, and monochromatic. Business practices such as schedules, planning, appointments for meetings, and taking responsibility for late delivery of products and services are parts and parcels of the corporate management culture. In cultures where time is considered as something to do with the nature or environment, people tend to be less punctual and polychromatic [37]. In essence, the way people perceive the time factor will influence the way individuals control their time. In monochromatic time-oriented cultures, individual employees establish goals and plan accordingly in order to increase job performance and job satisfaction. Time management influences every aspect of an individual’s life including work life, family life, social and private life [38].

2.3.5. High vs. low power distance

This national cultural dimension measures the degree of acceptance or rejection of the unequal distribution of power and influence in organizations. The power and influence
include distribution of knowledge, wealth, resource, information, authority, and the relationship between the boss and subordinates. In low-power distance societies, individuals feel equal to their peers (especially to superiors or subordinates). In high-power distance societies, individuals feel unequal to their peers (superiors or subordinates) [13].

2.3.6. Individualism vs. collectivism

This cultural dimension measures the degree of how much individuals in a particular society care about themselves vs. care about others. Individualistic societies tend to be more self-oriented where individual performance leads to individual outcomes. Individual independence and interests are protected and promoted. In contrast, collectivist cultures are group-oriented where interdependency and group interests override individual interests. Individuals are accountable to social norms and individual performance is measured by social standards [17].

2.3.7. Masculinity vs. femininity

This dimension measures the degree of how much (high/low) individuals in a particular culture are motivated by competition, personal achievement, and success. Individuals in masculine societies tend to prefer individual competition, achievement, and success, whereas individuals in feminine societies tend to care for others and want quality life for all [13].

2.3.8. High vs. low uncertainty avoidance

This dimension of national culture measures the degree of how much individuals in a particular society risk when making decisions or taking action in an uncertain situation. Individuals from societies where uncertainty avoidance is high are considered not adventurous and risk-takers in decision-making. Such individuals may need more time, information, planning, and support before they make any decisions about the future. Contrastingly, individuals from societies where uncertainty avoidance is low tend to be high-risk-takers when making decisions about the future [17].

2.4. Pakistani, Mexican, and US national culture

2.4.1. Pakistan national culture

The national culture of Pakistan is described as collectivist, status-conscious, and having a large power distance [39]. The social setup is family-centered and life is built within a group [40]. People keep a strong need for security and disapprove of independence in decision-making and questioning authority [41]. In general, a business culture in Pakistan is based on personal relationship and business is conducted among friends. If the business is negotiated between two Pakistani companies, many interpersonal negotiations have already been conducted in a social setting before the question enters the boardroom. The eldest, the head of the concern, will make his decision with or without you though he will politely listen to your views [42]. If the business is conducted with a foreign company, a lot of lobbying has to be done already before actually negotiating the issue. Friendship has to be formed and confidence built. The formal meetings are only held for formalize the deal [41]. The British influence on Pakistani culture is believed to have created social class system notably feudal
and civil servants. The elite symbolize money, power, and status. The education system in Pakistan also requires surrendering to authority-personal initiatives, and originality and independence in decision-making are met with disapproval [15]. Pakistani managers tend to make decisions based on rational; they are dependent and try to avoid spontaneous decision-making, which characterizes them as high risk averse and favorites of high power balance between boss and subordinates [43]. Pakistani social infrastructure is built around joint family system [44] and organization cultures reflect bureaucratic structure, authoritarian management, and centralized decision-making styles. Decision relating to employee management such as promotion, pay increase, and training and development are made based on personal likes and dislikes. Managers and owners tend to focus on their own profit while ignoring the interests or welfare of the employees [44]. Pakistan is considered a collectivistic society where long-term commitment and loyalty are critically important as a member of society or an organization. When it comes to the issue of whether the Pakistani society is masculine or feminine, the general understanding supports the notion that Pakistani culture tends to be masculine than feminine. The Pakistani culture promotes uncertainty avoidance where managers in corporations follow rigid rules and regulations, planning, punctuality, and security [45, 46].

2.4.2. Mexican national culture

The Mexican national culture is characterized as paternalistic culture in which high power distance and group orientation are accepted and practiced. Mexican managers make most of the strategic decisions leaving little or no control for operational staff to make decisions [47]. Managers resolve conflicts, establish goals, and measure the outcomes using established standards and criteria but without involving employees or subordinates in the lower hierarchy [7]. Mexican companies are managed like family units in which the owners and managers (mostly managers are the owners) act like father figures for the general employees in expectation to gain respect and loyalty [7]. Studies (e.g., [48]) find that Mexicans tend to be high class-sensitive, fatalistic minded, and collectivist at the same time. Mexicans consider both religious values (majority are Roman Catholics) and spending good life essential in one’s life. Mexicans work to live, spend time with friends, like hobbies and sports. Macho attitudes are prominently demonstrated by Mexican men [49]. As mentioned earlier, Mexican national culture is generally group-oriented. Individual members of the group, therefore, are expected to maintain group harmony and conform to social norms of the group. Strong interpersonal relationships and building trust are critically important for future business relationships. While doing business in Mexico, friendliness, goodwill, and respect are keys for the success in the long run. Mexicans do business with individuals not with companies, so the process of establishing business or working relationships may take time [50]. Making and maintaining friends whether social or professional are helpful in solving both social and business conflicts in Mexico. Family status, connections, and education are respected [51]. Other key personal features such as sincerity, integrity, charisma, and sociability are highly valuable. Communication is polite and diplomatic since confrontational and conflictive approaches to resolve differences are not functional [52]. Overall, according to Hofstede’s dimensions of national cultures [33], Mexico is considered a hierarchical society where power, class, and status are recognized and valued. A collectivistic society is promoting long-term commitment,
loyalty, social relationships, and group affiliations. A masculine society is where managers are expected to make decisions, to be decisive, and assertive. In addition, a high uncertainty avoiding culture where risks are not taken and managers would not make risky and adventurous decisions. Decisions require time, information, consultation, and approval from the competent authorizes in the hierarchy.

2.4.3. The US national culture

The American national culture is recognized as being individualistic, freedom-oriented, and competitive [54]. Americans value equality, informality, and individual privacy. American people are generally hardworking, disciplined, action-, and achievement-oriented. They are also direct, assertive, and largely materialistic [54]. Personal progress, egalitarianism, and self-control are other values of American people [55] both in social and professional life. Individual responsibility, decisiveness, strong work ethic, and forceful determination to have success in life are fundamentals for the American people [56]. American people are generally future-oriented and tend to work hard to make future better and successful. Consumerism and materialism are accepted. The nature can be controlled and should be controlled by planning and controlling resources in order to serve better the humankind [57]. Time is key factor in success since time is money, time can be wasted and invested. Efficiency, skills, and logical approach to solving business problems are common characteristics or American business managers [57]. American people are highly task-oriented and profit-focused. Workers are viewed as hardworking individuals. They can make their own decisions and control their own lives and environment [57]. Americans accept changes and risks for the betterment of the self and the society at large. American culture is also viewed by external (non-American) observers as being selfish, greedy [57], aggressive, and arrogant. In general, in accordance with the Hofstede’s dimensions of national cultures, Americans are found to be low in the power distance index; high individualistic; high in masculinity and low uncertainty avoiding.

2.5. Comparative analysis of the three national cultures

Table 2 provides an interesting comparison of the three countries based on the variables collected from the existing literatures. In Mexico, more than 90% of the population is Catholics and people practice religious functions with respect and punctuality. Similarly, in Pakistan where 97% of the population is Muslim and people are very religious. Both Catholic and Islam provide its believers with certainty (avoidance of uncertainty is high) and masculine values tend to prevail in Catholic and Islamic countries [13]. Social organization is centered in family where father and mother play important roles. Both Spanish (national language of Mexico) and Urdu (national language of Pakistan) are high-context languages, which means in both of these languages, indirectness, implicitness, and nonverbal language are high. When dealing with business contracts, Mexicans and Pakistanis view the business relationship as a long-term deal and tend to trust the person not the company. In terms of approach to time management such as deadlines, schedules, planning, and time controlling, both cultures have relaxed sense of time. Not because time is not important but because time controlling is not within the scope and authority of the man in these two cultures. Both Mexican and Pakistan societies
are collectivist societies where individuals belong to family, neighborhood, and the society at large [11]. Pakistani culture is considered a traditionalist culture where values reflect family, class, the past, and revealed truth. Leadership is autocratic, male head of family as model. Women’s status is generally low and time urgency is unimportant [58]. In Mexican cultural system, one can find the same features of family, class, male head of the family (Machismo), and time urgency is unimportant. Traditional cultures are usually strong in uncertainty avoidance, high in power distance, and tend to associative thinking [58]. Similarly, both Mexican and Pakistani cultures are grouped as particularistic where good relations with family and friends are vital. Importance of interpersonal relationship is high, institutionalized obligations are to family and friends, main basis for rewarding employees is employee’s personal situations and purpose of pay raise is to stimulate better performance. Rules and standards should be adjusted depending on the subordinate or situation [58]. In Mexican organizations as in Pakistan organizations, workers view conformity, respect, and personal loyalty to supervisors are important and should be rewarded. Honoring status is part of Mexican business rituals. Lewis [59] group India, Pakistan, Arab countries, and Latin American countries as multiactive which means impatient, emotional, unpunctual, people-oriented, talkative, seeks favors, and delegates to relations. Both Mexico and Pakistan are found to be in the group of high power index cultures. Such cultures accept inequality as the cultural norm and these cultures therefore are vertical. People respect hierarchy, authority, and formalized rituals [23].

Interestingly, Mexican and Pakistani national cultures are closely related to each other based on most of the cultural variables used in this study. However, the American culture is different from both of these countries except in the variable of masculinity vs. femininity. All three countries reflect masculine tendencies in their respective societies showing the impacts of globalization and corporate cultures on societies. American society tends to promote and appreciate individualism, high time orientation, equality, and risk-taking attitude. However, Christianity (various branches) has strong roots in America and so does the Protestant work ethics, American tends to separate religious beliefs from professional life and thus religious beliefs are very personal matters. Families in America are organized around nuclear family

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mexico</th>
<th>Pakistan</th>
<th>USA</th>
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<tr>
<td>Religion</td>
<td>Catholics</td>
<td>Muslims</td>
<td>Protestants</td>
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<td>Social organization</td>
<td>Extended family centered</td>
<td>Extended family centered</td>
<td>Nuclear family centered</td>
</tr>
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<td>Language</td>
<td>Mid-high context</td>
<td>High context</td>
<td>Low</td>
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<tr>
<td>Time concept</td>
<td>Relative</td>
<td>Relative</td>
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<td>High/low power distance</td>
<td>High power distance</td>
<td>High power distance</td>
<td>Low power distance</td>
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<td>Individualism vs. collectivism</td>
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<td>Masculinity vs. femininity</td>
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<td>Uncertain avoidance</td>
<td>High uncertainty avoidance</td>
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<td>Low uncertainty avoidance</td>
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Table 2. National cultures: Mexico, Pakistan, and the USA.
2.6. Corporate management culture

Management is about getting things done through other people. Managers are responsible for making decisions, allocating resources, and directing the activities of others to attain goals. Corporations are business organizations, and management involves a process, culture, and people [17]. Though certain management methods and practices are replicable abroad, however, they should be adjusted considering specific cultural needs and peculiarities [61]. Therefore, business corporations entering into alliances with organizations beyond their national boarders need to understand the differences found in management practices across national cultures [17]. Various organizational variables such as values, norms, ethical codes, rules, and regulations, for example, influence one way or the other corporate management styles. And such variables vary across national cultures and they do influence managerial functions, roles, and responsibilities [62]. Management style is about how managers behave and function when dealing with employees inside the company. Management style is the set of principles by which managers capitalize on the abilities of their employees [63]. Some management cultures accept and promote a work culture where managers are responsible for organizing, planning, coordinating, decision-making, and they have the authority and control over organizational resources. Whereas, some other cultures emphasize upon the notion that employees should be treated well, managers should delegate authority and resources to their employees, and managers are coaches and mentors [64]. In summary, the organizational culture is composed of variables such as management style, decision-making process, staffing procedures, interpersonal trust and confidence, commitment, control, importance of relationship, teamwork, and role of nature [65]. Organizational culture also includes the power structure, organizational structure, functional policies, and management systems [65]. Organization culture is about the values, rules, practices, and norms through which organizations manage their business operations [66]. A strong and dynamic organizational cultural system is fundamental for the organizational competitive advantage, if such cultural system is learned, developed, and shared across the global organizational system [29].

Given the fact that corporate management culture involves a set of diverse and complex variables, a few but key variables of corporate management cultures are briefly elaborated in the following section.

2.6.1. General management style

Management style can be classified in two broader categories. Mangers can be autocratic and democratic. Autocratic managers do not delegate authority to their subordinates. They will make most of the strategic and operational decisions. They will also control assets and resources within their jurisdiction. On the other hand, democratic managers will actually delegate authority to their subordinates in terms of decision-making and resource management [64].
2.6.2. Decision-making process

Decision of strategic and operational nature can be centralized vs. decentralized. In centralized decision-making setup, managers in charge will make all or most of the decisions and transfer those decisions down to the lower staff in the chain of command for implementation. Lower staff in the hierarchy will not have, therefore, options of giving opinion and questioning the decisions already made by the person in-charge of the department or company. In a decentralized decision-making system, decision-making process will involve individual concerns and participation. Virtually, everybody is consulted before the final decision is made. Of course, the final decision should be approved by the person in-charge. In contrast to the centralized decision-making system, in decentralized decision-making setup, decisions of operational nature can be made by the lower staff in the event of necessity and urgency [64].

2.6.3. Staffing

Staffing means hiring people in organizations. Some organizations in some cultures use criteria for staff selection such as academic preparation, experience, and other specialized skills. These selection criteria are called technical criteria. Contrastingly, in some other cultures, organizations use selection criteria such as affiliation of the person with the company, family, political connection, and age for staffing purposes. These criteria of staffing are considered staffing based on social characteristics [64].

2.6.4. Controlling

The term controlling describes the process of regulating organizational activities so that actual performance conforms to expected organizational standards and goals [67]. Controlling is an ongoing management function requiring managers to set up systems and produce desired behavior to facilitate the achievement of the company’s goals. Controlling employee behavior in the workplace could be exercises either by social actions or by technical means. Social actions include appreciating employee performance, showing concern the employee and his/her family, recognizing his/her efforts and developing personal rapport. Technical means of controlling employee behavior involve formal reporting relationship, budgeting, rewards and punishment, objectives achievement evaluation, and regular supervisor. Which of these controlling mechanisms is appropriate and effective in a particular situation is a cultural question [64].

2.6.5. Time concept

Time is a valuable and limited resource to saved, scheduled, and spent with precision. Deadlines and schedules have to be met. Some cultures view time based on religious beliefs and destiny [67]. Cultures, which consider time as an absolute concept, are called monochronic time-oriented cultures, and cultures where time is viewed as a relative concept are considered polychromic time-oriented cultures. Monochrons believe that accomplishments and tasks can be divided into segments and each segment should be performed at a time. Polychrons attempt to do a number of things simultaneously in a nonlinear sequence [22]. Time is increasingly viewed as a factor that organizations must manage. Our conception of time is strongly affected by culture because time is an idea rather an object [10].
2.6.6. Employee motivation

The term motivation refers to an individual’s choice of behaviors and the impetus behind those behaviors [67]. Managers are responsible to set up a situation in which individual desires to carry out certain activities that will lead to the achievement of organizational goal [67]. Existing research works suggest that motivation tools are more likely to be social, interpersonal, and spiritual [8]. Motivation is influenced by the context of an individual’s personal work and personal life and that context is greatly influenced by cultural variables, which affect the attitudes and behaviors of individual and groups on the job [67]. Motivation is cultural. In some cultures, workers can be motivated by teamwork, the need for the job, relation with their peers, flexible work hours, and relaxed work standards. In other cultures, people will be motivated by personal goals, division of labor, specific rules, and opportunities for individual advancement [67].

2.6.7. Role of religion in the workplace

Natural environment has been at the center of discussion for researcher as source of human existence. Natural elements such as floods, winds, earthquakes, famine, cold, fire, and so and so forth have surrounded human being from the inception [10]. Societies conduct business with two major orientations of nature: either to control and subdue the nature by imposing will upon it or man is part of the nature and must go along with its laws, directions, and forces [10]. Who controls the nature? Some cultures believe that it is the man with knowledge and resources control the nature. It is just like that, what happens to me is because of my actions. Some other cultures believe that other forces other than man itself such as God control the nature. That is why man has no control over it and therefore, must go along with it [10].

2.7. National and corporate management cultures: a comparative analysis

Several studies [62] undertaken to understand the relationship between corporate management and national cultures find that management practices and national cultures congruency lead to the better organizational performance. Similarly, Hofstede [13] proposed that each culture has a preferred coordination mechanism, implying that workers from each nation deliver a better performance if they use their own preferred management practices. Similarly, Newman and Nollen [68] find that business performance is better when management practices match with the national culture since national differences influence management styles [62]. Management styles are deeply influenced by the social culture in which the organizations operate [69].

2.7.1. General management style

In Mexico, managers are autocratic and paternalistic. Mexicans value status and accept hierarchy. Workers expect respectful recognition of their roles within the hierarchy. Employees hesitate to provide decision-making input or assume decision-making responsibilities and risks [70]. Generally, subordinates do not challenge a decision made by supervisor or superior. Pakistan culture is also autocratic and paternalistic [71]. In contrast, the American culture
is characterized by short-term employment, individual decision-making, individual responsibility, rapid evaluation and promotion, explicit, formalized control, specialized career paths, and segmented concern [72].

2.7.2. Decision-making process

In Mexican companies, the authority to make decisions lies with the top in the hierarchy. Decisions are centralized and undemocratic. Roles are clearly separated between boss and subordinate. The boss makes decisions and the workers should support the decision without making judgment about the decision. Usually, managers will not delegate authority to their employees to make decisions of their own. In addition, the authoritarian management style of the Mexican managers tends to discourage upward communication [48]. In Pakistani organizations, since managers are autocratic, decision-making processes are controlled and centralized on the top. Decisions are generally made by the high-ups in the rank and transmitted down to the junior levels through hierarchical channels [71]. Rational and dependent decision-making are preferred styles of Pakistani managers [71]. Interesting to note that in both Pakistani and Mexican organizations, decisions even of important and strategic nature can be made orally and disseminated among the staff. On occasions, employees may be encouraged to contribute ideas and suggestions, but they will not be given authority to make decisions. Decision-making is centralized and the final decisions in both countries lie in the hands of the managers in top positions. The American culture is characterized by individual decision-making, individual responsibility, and managers delegate authority and responsibilities [72].

2.7.3. Staffing

In any organization and for any position, in Mexico and Pakistan, while hiring employees, nepotism and favoritism are generally practiced. In hiring, relationship and connection are decisive criteria more than technical competencies of the candidate. Since both in Mexico and Pakistan, loyalty to superior is important, such staffing customs help hiring employees who can be trusted [71]. The American culture in which individual productivity and efficiency are the sources of organizational effectiveness, staff practices such as short-term employment, rapid evaluation and promotion, staffing mostly on academic backgrounds, specialization and experience, and specialized career paths [72]. When selecting among job applicants, Mexican employers typically look for a work history that demonstrates ability to work harmoniously with others and to cooperate with authority. They also tend to seek workers who are agreeable, respectful, and obedient rather than innovative and independent [73].

2.7.4. Control

Mexican and Pakistan workers accept authority, power distance, and status and role identification [71]. Following instructions, rules and standards are minimal in both of these cultures. Mexican and Pakistani cultures resemble to each other though, however, Mexicans workers would prefer more social mechanisms (i.e., friendship, trust) to control them since they do not like formal (technical) controls (i.e., rules, standards). Mexican workers will usually do the work as favor not his or her duty as a job. He will feel less or no accountable to his job.
rather he will do it for personal relationship and maintain his image among the workers [48]. In American culture, control is accepted and practiced through procedures, standards, and other explicit and formalized control mechanisms such as management objectives and performance-based evaluation and promotions [72]. Mexicans tend to be comfortable with inequalities of authority, whereas Americans prefer sharing authority with peers and bosses in the workplace [74].

2.7.5. Time management

Though, both in Mexico and in Pakistan, time is an uncontrollable factor, which is controlled by nature not by human being, however, because of the historical background (British legacy in Pakistan), Pakistani worker will tend to be on time always to the work. Junior workers will be expected to be on time to their offices. For an ordinary Pakistani, time has no concept and therefore, getting things done on time is quite impossible [41]. Managers may exercise flexibility in their time management. Assignments can be accomplished in the last minutes. Appointments may not be considered as commitments in some parts of the country [71]. Being late for an appointment shows that the person is a boss. His esteem rises. Yet, punctuality is expected of foreigners [41]. Since Pakistan has several subcultures, approach to time management may vary from state to state or even from city to city within a state. In Mexico, generally speaking, time is a relative concept and a Mexican worker cannot be expected always to be on time. American punctuality, time management, and planning are universally known and appreciated. For Americans, time is money and time can be invested and wasted.

2.7.6. Employee motivation

Both Mexico and Pakistan are developing economies where the importance monetary benefits to meet the basic needs is high. Therefore, job-related satisfaction is given priority over other human needs such affiliation and esteem. Though some findings suggest that motivation in Pakistan may require the provision of affiliative needs and social recognition, it can be associated with the type of profession [71]. In American culture, where masculinity, consumerism, and social class are based on ownership (money, properties), good salaries, and other tangible economic/financial benefits can be a good source of motivating and keeping employees motivated.

2.7.7. Role of religion in the workplace

Islam as religion of the 95% of the population in Pakistan has a strong role in organizational culture in comparison with the Catholic influence in the Mexican organizational culture. Even though Mexicans are considered religious in belief and refer to God for everything they do in life as Muslims do, however, since the separation of church from the government, Mexicans are found to be relatively less conservative in practice. Any company in Pakistan whether of foreign origin or national has to allocate a prayer room where employee can say their prayers during office hours, extend lunch breaks for Friday prayers and shorter office hours during Ramadan, the month of fasting [45]. Such religious practices and rituals are very rare to found in companies located in Mexico regardless of their origin and nationalities. In the USA, people
Table 3. Comparative analysis of management cultures: Pakistan, Mexico, and USA.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mexico</th>
<th>Pakistan</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management style</td>
<td>Autocratic and paternalistic</td>
<td>Autocratic</td>
<td>Pragmatic</td>
</tr>
<tr>
<td>Decision-making process</td>
<td>Centralized and individualized</td>
<td>Centralized and individualized</td>
<td>Consensual</td>
</tr>
<tr>
<td>Staffing procedures</td>
<td>Connections, references</td>
<td>Connections, references</td>
<td>Merit and achievement</td>
</tr>
<tr>
<td>Control</td>
<td>Social control is accepted</td>
<td>Technical control is accepted</td>
<td>Technical control is accepted</td>
</tr>
<tr>
<td>Time management</td>
<td>Less punctual</td>
<td>Punctuality varies</td>
<td>Punctuality at all cost</td>
</tr>
<tr>
<td>Role of religion at workplace</td>
<td>Exists but not strong</td>
<td>Very strong</td>
<td>None existence</td>
</tr>
<tr>
<td>Motivation strategies</td>
<td>Social recognition and economic benefits</td>
<td>Social recognition and economic benefits</td>
<td>Economic benefits and social recognition</td>
</tr>
</tbody>
</table>

keep secular views of religion and being religious is something very personal. Having said that, the American Protestant work ethics, which promotes productivity, hard work, commitment, and good time management, has dominated the global work culture.

Table 3 summarizes the differences and similarities among the corporate management cultures of the three countries under investigation:

3. Discussion and conclusion

The three countries under analysis inherit rich and diverse cultural and historical backgrounds. America (USA) is considered a melting pot as a cultural system because of its cultural diversity and being an immigrant society. The historical influence of British, Spanish, and French cultures in combination with the mass mobilization of people from Asia, Africa, and Latin America has led to the conclusion that America’s culture is everybody’s culture [75]. The Mexican culture as well has passed through various deculturation and acculturation eras initiating with Aztecs and Mayan kings to the era of Spanish empire and French invasion. In spite of these historical events and occurrences, and the fact that America, the most influential nation in the world is its neighbor, Mexico has been able to keep its identity intact as a Latin American culture [76]. The Pakistani culture has seen even more complex and diverse intrusions in its history dated back to the invasion of Alexander the great; the Mongols, the Moghuls; the Persian; and the British a few to narrate. Since its arrival in early eighth century, Islam has been the dominant religion in the region (now Pakistan, India, and Bangladesh), but the influence of many other religions including Buddhism and Hinduism can be observed in some parts of Pakistan [41].

While comparing American, Mexican, and Pakistani national and corporate cultures, it is found that American organizations are well organized and hierarchies are established to facilitate the operations. Employee and manager relationships base on equality and achieving organizational objectives. Information sharing, consultation, and participating decision-making are common
practices in American organizations. Employees are expected to be self-reliant. The system of hiring, promoting, and decision-making are based purely on merits and expertise. The American society is self-achievement and interpersonal competition driven. Americans live to work and therefore, monetary benefits and rewards leading to higher social status are successful motivation strategies in American companies. Americans like changes and accept new ideas and practices. The American society promotes self-sufficiency, independency, and individualism, which consequently influence the American companies to be less autocratic and more flexible with employees having control over operational-level decision-making and supervision [74].

Pakistan organizations are typically authoritarian and decision-making is located at the top due to large power distance. Employee autonomy is limited, top-bottom communication is minimal and bottom-up communication is nonexistence [41]. Organizational structures are bureaucratic and not generally responsive to the needs of employees. Existing theories also suggest that creative management is limited by rigid rules and regulations and thus individual initiatives and contributions are nonexistence in Pakistan organizations whether they are public or private [77]. The Mexican society is family-oriented, hierarchical and therefore, social classes and unequal power distribution are accepted. Consequently, in Mexican organizations, authority is concentrated in the top management, no delegation of authority and decisions are centralized [78]. Both organizational culture in Mexico and Pakistan tend to be person-oriented [10] since in both countries authority is a figurehead, paternalistic, and powerful. Motivations are generally intrinsic, personal respect is important than monetary benefits. Otherwise, this culture is considered as a family culture where close-to-close but hierarchical relationship exists. This is in the sense that the father of a family has experience and authority greatly exceeding those of his children. This is power-oriented organizational culture in which the head is regarded as a caring father who knows better than his subordinates what should be done and what is good for them. In such organizational culture, the pressure is social and moral than financial or legal. In contrast to the both Pakistani and Mexican cultures, the American culture tends to be more transaction (job, task) oriented which leads to create organizational cultures of productivity, self-control, responsibility, and independency among the workers.

Overall, social organization (the importance of family), the spirituality (the importance of religion), and the external influence are relatively similar when comparing Mexico and Pakistan. However, the American reflects a clear distinction from Mexican and Pakistan cultures. Pakistani national culture is an amalgamation of Islamic religion, Indian origins, British inheritance, and American influence [45]. Similarly, Mexican national culture is a combination of the Catholic religion, Spanish heritage, American influence, and the indigenous origin. In general, both Mexican and Pakistani national value systems based on community, group life, strong need for dependency, respect for the authority, dominance of elite class in social and political life, culture of broken promises, and poor human development record. Both Pakistani and Mexican cultures are collectivist and high-power distance cultures [7]. According to Hofstede four national dimensions, Pakistan and Mexico are considerably similar to each other and are in the same group of countries with large power distance-collectivist dimensions [13].

In conclusion, commonness in the national value systems of Mexico and Pakistan, the two geographically distanced, but socioculturally close nations have a significant effect on the
value systems of the organizations. This presents several opportunities for the organizations in these two countries. Organizations in different sectors such as oil and gas, textile, education, consulting, research and development can make up strategic alliances to pursue international business ambitions. In addition, companies from Mexico can make direct invest in the Pakistani market and similarly companies from Pakistan can do business in Mexico without fearing of the cross-cultural constraints. Both Mexico and Pakistan are close strategic and business allies of the USA for a long time. Especially, Mexico as a NAFTA member nation depends for almost 80% of its international business/investments on the USA.

4. Implications and recommendations

The finding of this chapter presents implications for the corporate leaders in many ways: (1) Even though the Mexican and Pakistani cultures are found to have vivid similarities, these two nations are located far from each other geographically (the distance). Mexico is geographically close to the USA but culturally very far from it. Pakistan is far from the USA both geographically and culturally; (2) Spanish and Urdu languages are in the group of high-context languages in the world of communication, but still Spanish and Urdu are different languages. Managers from both sides must learn the language in order to communicate and understand the culture. English is a low-context language, but it has become a generic and common business and management language globally. In spite of the fact that Catholicism and Islam share the same faith-roots, differences are huge between Mexican Catholics and Pakistani Muslims when it comes to the practice of religion and the importance given to the religion in one’s daily life. Social organization is formed around extended family infrastructure in Pakistan as in Mexico, whereas the US social organization is much more decentralized to nuclear family establishment. Corporate leaders from the USA can have difficult time while working with employees from either Mexico or Pakistan. Other variables of power distance, uncertainty avoidance, collectivism/individualism, masculinity/femininity, and time concept used in this study and the effects of these variables on corporate management cultures suggest that Mexicans and Pakistanis tend to be more similar than different. Again, being Latin American vs. South Asian cultures, the realities on ground can present challenges for managers from both side.

Given all those implications described above, managers and investors from the three countries are advised to take national cultures as well as organizational culture into account when developing national and organizational business polices and standards. Managers and investors from these three countries are well aware of the fact that the world is becoming a global village and the need for cross-cultural learning is increasing with the growth of business organizations beyond their national boarder [79]. Individuals bring cultures of origin to work that reflect their particular ongoing histories in various cultural contexts, such as national culture [80]. In this manner, culture guides our choices, commitments, and standards of behavior [81]. Corporate managers are global and have to understand differences in global cultural system. They should be able to work on those differences and adopt managerial practices which are cultural sensitive and responsive [82].
5. Limitations in the study and future studies

This analysis in this chapter is based on the conceptual analysis of the causal relationship between the national cultural variables and the corporate management culture variables. Such studies are considered research problem explorers and theory ground-breaker therefore, are viewed useful for further studies in the field. Exploratory studies such as this one establish the context for further quantitative analysis, identify needs for the research, broaden the knowledge of the researcher, and clarify the existing theories in the field of study [83]. However, such research endeavors are viewed descriptive, general and are criticized for not presenting field data, statistical analysis, and other quantitative procedures to establish the relationship among the research variables. Research quality can be influenced by the researcher personal experience, rigor is more difficult to achieve, and findings are difficult to understand [84]. Moreover, some researchers question the validity and reliability of the findings of such studies since the information is obtained through document analysis and secondary sources. This demands from the researcher to scrutinize and critically evaluate the source or the origin of the information used in the study.

Therefore, future studies in the field should consider several considerations. First, studies should only analyze the relationship whether correlations or causal relationships between the research variables, but also and most importantly to give weight to the moderating and mediating variables. Figure 2 demonstrates that there several emerging variables (factors) that can have powerful moderating roles in establishing the relationship between the dependent (corporate management culture) and independent (national culture) variables in this study. For example, Figure 2 suggests that variables such as information technologies, globalization, internationalization of HRM, business strategic alliances, workforce diversity, and regionalization may have moderating impacts on how national cultural variables can influence the corporate management cultures. In order to expand the research scope and strengthen the generalization of the results, a few more dependent variables (employee motivation, management orientation, work ethics, and loyalty) could be added to the study and analysis.

![Figure 2. The role of moderating variables.](http://dx.doi.org/10.5772/intechopen.78051)
In terms of the research methodology used in the study, future studies should use quantitative methods in order to make the study outcomes more understandable and acceptable in the scientific research community. The quantitative method also enhances the validity and reliability of the research results and consequently the recommendations. Qualitative studies as this one are generally appreciated for being explanatory, detailed, and in-depth. Also, changes in the direction of the study are easier as new information emerges and data/information collected based on human observations is more powerful than the quantitative data [85]. On the other side, qualitative studies being dependent on the researcher skills and thus can be easily influenced by the researcher personal biases. It is time-consuming and difficult to assess and communicate [85]. A more formal and field-based study involving business organizations from two countries should be built in order to explore the reality on the ground. This chapter is surely a step forward in that direction.

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