

Mariya Bobina, Stephanie Vergnaud, Mikhail Grachev, H. Martin Shane, and Richard Soparnot

# POSITIONING FRENCH MANAGEMENT IN A MULTINATIONAL LANDSCAPE

#### **ABSTRACT**

The paper examines and summarizes cultural attributes of French management and presents the analysis of the survey of French middle managers regarding perceptions of culturally endorsed behaviors and values. It further develops the findings of the Global Leadership and Organizational Behavior Effectiveness (GLOBE) research and positions French management profile in cross-cultural space with respect to "cultural distance" between France and other societies. Comparing the 2009-2010 survey results with a base year, the paper results substantiate the validity of the cultural attributes of French management practices and behaviors.

Key Words: management behaviors, cultural distance, GLOBE research, France

#### Mariya Bobina

University of Illinois at Chicago

#### Stephanie Vergnaud and Richard Soparnot

Ecole Supérieure de Commerce et de Management (ESCEM)

#### Mikhail Grachev

Western Illinois University and University of Iowa

#### H. Martin Shane

University of Texas at Brownsville

**Correspondence: Mikhail Grachev** WIU-QC, 3561 60th Street, Moline IL 61265

E-mail: mv-grachev@wiu.edu

#### **INTRODUCTION**

France has been the focus of international business and management studies due to its economic and political powers garnered by its global trade competitiveness. Ranked in 2009 fifth in terms of nominal GDP among the major industrial countries, France was fourth in terms of world export of services and fifth in export of goods; and it was third only to the United States and Japan in terms of the number of corporations listed on Fortune's 500 top global corporations list. The nation's competitiveness stems from the size of its intellectual resources and accumulated financial wealth, solid industrial policy, and full-fledged integration into the global markets, as well as from distinctive management systems and practices. The leading position in the European Union and historic influence on societies in the other parts of the world from Canada to Northern Africa, make those systems and behaviors an international phenomenon.

This paper addresses the following basic question: what does make the French management practices and behaviors different from those prevalent in the other nations? More precisely, which cultural attributes form the distinctive profile of French management and how this profile is positioned relative to the other societies in a cross-cultural landscape? In response to those inquiries, the paper revisits traditional stereotypes; reviews research on French management practices and behaviors; analyzes data from surveyed managers regarding their perceptions of societal and organizational cultures; evaluates cultural distance between French management practices and those of other countries, and discusses relevance of cultural attributes to successful international business activities. In particular, the authors examine empirical findings of a survey of managers during the period of 2009-2010, compare them to the results of the earlier survey conducted in 1998 as a part of 62-societies' Global Leadership and Organizational Behavior Effectiveness (GLOBE) research, and apply measurement instruments ("cultural distance") originally developed within FDI entry mode literature to position French management behaviors (practices) in the cross-cultural landscape.

## FROM STEREOTYPES TO ANALYZING MANAGEMENT PRACTICES

Scholarly studies explore traditional stereotypes of French management and provide arguments and interpretations within multiple streams of research – from case studies of French organizations that describe specific national practices with reference to the

country's history, traditions, and societal culture; to cross-country comparisons that rely on management surveys and measurements at organizational and societal levels. They display French management as hierarchical, paternalistic, and bureaucratic phenomenon; the one with social boundaries between insiders and outsiders; as elitist at executive level further explained by the distinctive education system (*Grande Ecoles*) and networks around state agencies.

Early case-based studies of French organizations by Croizier in the post-war tobacco industry and postal system highlighted the role of bureaucracy responsible for releasing tensions between individualistic orientations on the one hand, and authority and rules on the other; leading to the "Bureaucratic Phenomenon" model of French behaviors in the industrial environment (Crozier, 1964). However, empirical studies conducted by D'Iribarne in the 1980s in transport system, cement works, car factories and railways generated the different model that confronted and even contradicted with Croizierian pattern. That model distanced from the earlier exaggerated emphasis on impersonal regulations and the fear of face-to-face relationship and provided evidence of highly important role of traditions, personalized acceptance of rights and duties, dedication to fulfillment of obligations within the particular societal strata, and "vigorous resistance to situations of dependency" (D'Iribarne, 1994: 85). D'Iribarne also claimed that ethnographic study of French behaviors within that model provided more accurate data than Hofstede's comparative research based on surveys which included French managers (D'Iribarne, 1996/1997: 30).

This discussion displayed complex interplay of traditional stereotypes of French business practices which prioritized two historically developed conflicting societal orientations, namely search for individual liberty on one hand, and domination of authority on the other, with sophisticated bureaucracy as specific means to resolve this conflict. The conflict between stereotypes was attributed to France's "specific difficulty in adapting to the modern world" (D'Iribarne, 2006: 37).

The other stream of cases in metalworking and petrochemical industries illustrated the role of French educational system in shaping selection and training practices, emphasized expectations for general rather than professional abilities; and praised seniority and decreasing inter-organizational mobility in the firms (Maurice et al., 1982). Comparative case studies focused on interactions of French and Anglo-Saxon practices have illustrated strong ethnocentric mentality and behaviors of French managers

(Muratbekova-Turon, 2008). Those studies also interpreted businesses' weaknesses resulted from reliance on government subsidies or suspicion to English language (Nelson and Browning, 1990); or their preferences in political patronage, paternalism, rule-oriented and procedural behaviors; as well as preferences in firm-based performance rewards over individual performance rewards (Overby, 2005). The findings were further supported in case studies of cross-border European mergers and strategic alliances, in particular in chemical and engineering sectors that displayed autocratic and less consensus-oriented French managers, who were comfortable with higher concentration of power at the top hierarchical levels and less comfortable with uncertainty in technology or legal matters (Schoenberg et al., 1995).

French managers follow distinctive patterns of social interactions within and beyond organizational boundaries. Fukuyama took social capital perspective on French business behaviors and discussed weaknesses in intermediate associations beyond family and the state; poor attractiveness of other intermediaries for individual loyalty; dislike of direct, face-to-face relationships in many aspects of economic life; and strong preference for authority that is centralized, hierarchical, and legally defined. He further discussed how French industry structure was influenced by social capital with family business ties, advantageous to sectors such as agriculture, food, wine, or fashion; and how class divisions in French society, combined with traditional attitudes towards authority, have created a system of legalistic and inflexible organizational relations (Fukuyama, 1995).

Burt with colleagues (2000) analyzed French social capital in details and also highlighted distaste for informal, face-to-face relations and preferences in legalized strong authority; higher comfort with knowing place in the chain of command and discomfort with the negotiated control exercised by network entrepreneurs. When compared to American managers, these scholars found that the French were more regulated by bureaucracy and peer pressure, both amplified by greater reliance on internal labor markets; that they built relations in a way different from American practices, with relatively smaller range of contacts and relatively less positive emotions associated with "bridge relationships". French managers operated with less porous social boundary of the firm being reluctant to coordinate with people outside the chain of command. And comparative study by Inzerilli and Laurent explained that French managers, for whom vertical hierarchical lines were of great importance, were significantly more reluctant than

the Americans to accept multiple command structure and were less willing to depart from hierarchical lines in work interaction (Inzerilli and Laurent, 1983).

Hofstede discussed differences between Anglo managers and non-managers on one hand, and the French version of cadres versus non-cadres when one became cadre by attending the proper schools and one remained it forever; and regardless of their actual task, cadres had the privilege as a higher social class (Hofstede, 1993). Affiliations with those elite schools (Grandes écoles) defined social boundaries within organizations. Those schools also provided substantial mathematical training and operations research skills (Paucar-Caceres, 2009) contributing to creation of French "professional manager" corps with distinctive rationalism, sound numerate background, and desire for objectivity rooted in that education system (Lessem and Neubauer, 1994).

Cross-cultural studies in the past four decades with the shift in focus from bilateral comparisons to multi-country frameworks interpreted French management in the broad international perspective. The original Hofstede's research (1980) positioned French managers' profile among 40 societal cultures as relatively high on Individualism, Power Distance, and Uncertainty Avoidance, and more Feminine than Masculine. The follow-up Cranfield comparative study of management styles in Europe confirmed Hofstede's results on France making its management culture with the combination of high on both Uncertainty Avoidance and Power Distance unique in Europe; and labeled it as "management from the distance". That study prioritized desire for independence but within clearly defined bureaucratic boundaries; ineffective implementation of change strategies; and strained internal relationships (Myers et al., 1995). The World Values Survey enriched French cultural profile relative to the other societies (harmony 4.2; embededdness 3.2; hierarchy 2.2; mastery 3.7; affective autonomy 4.4; intellectual autonomy 5.1; and egalitarianism 5.1) with the emphasis on intellectual autonomy and egalitarianism (Schwartz, 1992; Schwartz et al., 2001). Furthermore, research by Hampden-Turner and Trompenaars (1993, 2000) highlighted relative attributes of French culture such as implicit rather than explicit, with diffusive, holistic thinking and decisionmaking; ascription rather than achievement, with high value of traits that are given to the individual rather than earned or achieved; hierarchical structures and restrictions to communication flows rather than equalities; and preference for particularism rather than universalism, with the emphasis on relationships and obligations. Those attributes stem from societal and legal history, educational system, and traditions of the French society.

In summary, scholarly literature generated a rich profile of French management and supported traditional stereotypes about educated and rational managers capable to act in hierarchical, paternalistic, bureaucratic and relational environment. The comparative findings presented visible differences when compared to the other national profiles, with attributes making the French management quite distinctive in the global environment. Hence, it is logical to further explore the most recent empirical data and position French practices on a cross-cultural landscape map.

#### EMPIRICAL RESULTS: GLOBE STUDY REVISITED

Recent advanced research by the multidisciplinary GLOBE project team (House et al., 2004; Chhokar et al., 2007) helps to further understand cultural configuration of French management. The central GLOBE proposition is that attributes and entities that distinguish a given culture from other cultures are predictive of the practices of organizations of that culture and predictive of the leader attributes and behaviors that are most frequently enacted, acceptable, and effective in that culture.

Generally speaking, culture refers to a set of parameters of collectives that differentiate the collectives from each other in meaningful ways (for example, Kroeber and Kluckhohm, 1952: 181; Hofstede, 1980: 25, 48). Two major streams of research target cross-national differences: culturalist approach rooted in peoples' values and beliefs; and institutionalist approach which responds to peoples' compliance with formal system of laws, standards, etc. While the authors of this article recognize attempts that integrate both streams (Giddens, 1986; Maurice and Sorge, 2000), they follow the former one resonating with the basic research pattern of the GLOBE project. Within GLOBE research culture was assessed per psychological and behavioral traditions in which it was assumed that cultures should be studied as they are interpreted by its members; and measured in terms of two manifestations of culture: modal practices and modal values of collectives.

The GLOBE *cultural dimensions* design was based on previous works by Hofstede and McClelland as well as theoretical findings of Kluckhohn, Strodtbeck and Triandis (Hofstede, 1980; McClelland, 1985; Kluckhohn and Strodtbeck, 1961; Triandis, 1995) and displayed the following dimensions: Institutional Collectivism, Group Collectivism, Gender Egalitarianism, Assertiveness, Power Distance, Performance Orientation, Future Orientation, Uncertainty Avoidance, and Humane Orientation. Sufficient statistical

procedures were applied to define the properties of the GLOBE cultural scales (Hanges and Dickson, 2004; Gupta et al., 2004). Those scholars conducted pilot tests and Q-sort preparation of questionnaires; collected qualitative data on societies and cultures; and analyzed quantitative data from responses to questionnaires obtained from 17,350 middle managers in food processing, telecommunication and banking/finance in 61 societies. Within the main GLOBE research the societal cultures were operationally measured by assessing questionnaire responses from those managers with respect to the values they endorsed and reports of behavioral practices. Cultural values and practices were measured on a 7-point response scale with respect to nine cultural dimensions that displayed high within-culture and within-organization agreement and high between-culture and between-organization differentiation. The GLOBE team also grouped countries into bands in which the scores within a particular band were considered as being not meaningfully different.

GLOBE research generated French management profile that was consistent with the previous research (Castel et al., 2007). When compared to the other countries that participated in the GLOBE study, French profile combined the following attributes. Behavior scores (practices "as is") were relatively high on Gender Egalitarianism and Power Distance, low on Humane Orientation, while the other scores were within average range. At the same time, value scores ("should be") were lower on Power Distance, Performance Orientation, Future Orientation, and Uncertainty Avoidance dimensions. The study confirmed two cultural traditions: universalism (national idea linked to civilization itself) and exceptionalism, and emphasized the role of specific industrial relations as well as the family ties in shaping business culture. The quantitative analysis of leadership and comparisons to the other cultures displayed low scores on charismatic, team orientation, and humane dimensions, high on autonomous and self-protective dimensions, and also high on participative dimension. The suggestions for cross-border collaboration with those leaders included, in particular, understanding the significance of intellectualism, pragmatism, abstraction, and ability to reconcile contradictions; preoccupation with own particularism and exceptionalism.

To further develop and interpret the modern cultural profile of French management, the authors collected in 2009-2010 responses from a sample of middle managers on their

<sup>&</sup>lt;sup>1</sup> The original 1998 GLOBE French sample included 105 responses from managers in 12 companies in finance, food and telecommunication industries. The average age of surveyed managers ranged from 35 to 60 with the average age of 42. Majority of managers were men, few being born outside of France.

perceptions of culturally-endorsed behaviors and values with expectations that would help generalize the findings regarding the subculture of middle managers in France. In acquiring and processing data, the authors followed the GLOBE Project guidelines (House et al., 2004) focusing on middle managers of medium and large national firms in banking/finance, telecommunication, and food processing. 300 questionnaires were distributed via the ESCEM's executive alumni and training network; professional management associations in Tours, Poitiers, and Paris; as well as two Chambers of Commerce Poitou-Charentes and Centre. The authors explained the goals of the study to respondents over the phone or in person, and questionnaires were returned by mail or fax. Out of 74 returned questionnaires 63 were considered valid for processing. Surveyed managers responded to GLOBE questionnaire on a 7-point scale with respect to the above mentioned nine cultural dimensions.

While most respondents represented the central region of France, attempt has been made to expand the scope of the survey into the other regions such as Southern and North-West. Of the total respondents, 39 were men (62%) and 24 were women (38%), with an average age of 44.8. On average, they had 10.9 years of formal education; and 22 years of full-time work experience including 14.6 years in managerial position. Furthermore, on average 19 people reported directly to surveyed managers; there were 1.7 levels between typical respondent and the chief executive of the organization; and on average respondents worked 13.9 years for the current employer. Fifty-three, i.e. 84% indicated that they had religious orientation, however only 22 respondents (34%) named religious affiliation of which 21 were Catholic. All respondents were French citizens and 60 (95%) of them were born in France, only one respondent spoke language other than French in his/her family, and four reported as being bilingual at home. Only one used English language at work while the rest used French with 13 also using English as second language.

Here are the specific results of the survey with the appropriate interpretations:

• Institutional Collectivism (degree to which organizational and societal norms and practices encourage and reward collective distribution of resources and collective action) behavior score was 3.93 and value score was 4.51. Group Collectivism (degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families) behavior score was 4.12 and value score was 5.60. These data suggest reasonable balance between the extremes of high individualism on the one hand, and

visible collectivism associated with the roles of the family and the state, on the other. However, "should be" expectations were higher on both dimensions towards more collective values.

- Gender Egalitarianism (extent to which an organization or society minimize gender role differences) responses displayed moderate behavioral score of 3.70 and higher value score 4.95. The authors interpret value data as the effect of societal egalitarian traditions stemmed both from the French revolution and civilized democratic practices of the present time. However relatively lower practices score was not originally expected but could be interpreted along the patriarchal behavior patterns rooted in the Catholic traditions.
- Assertiveness (degree to which individuals in organizations or societies are assertive, confrontational, and aggressive in social relationships) was evaluated 3.99 on behaviors and 3.36 on values. Average scores on Assertiveness reflect 'intellectual' perceptions of realities in the economically developed nation, compliance with bureaucratic rules, constraints on assertive behaviors, and respect to hierarchical authority. Value scores were not much different however slightly lower than practices.
- French behavior score on *Power Distance* (degree to which members of an organization or society expect and agree that power should be unequally shared) was 5.22 and value score was 2.78. Power Distance practice scores with no doubt, represent historically developed traditions of and respect to authority, deeply embedded perceptions of class system and privileges (centuries of central power of monarchy, aristocracy privileges, elite education, etc.), and well-developed bureaucratic hierarchies. At the same time, managers' expectations about societal structure look very different, with "should be" score much lower. This result may be interpreted as the search for less bureaucratic and more democratic business environment.
- The behavior score on *Performance Orientation* (extent to which an organization or society encourages or rewards group members for performance involvement and excellence) was 4.08 and value score was 5.50. Historically France delivered many outstanding technological advancements and contributions to intellectual progress in different areas of human activities. However, being a part of Latin European cluster and carrying catholic traditions in society, French culture places relatively less emphasis on exceptional performance than, for example, protestant or Asian cultures

and perceives other values beyond the world of work (family, service to the state, intellectual development) as relatively highly important.

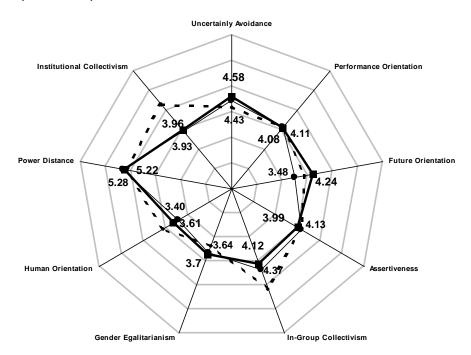
- The survey results on *Future Orientation* (degree to which individuals in organizations or society engage in future-oriented behaviors such as planning, investing in the future, and delaying gratification) displayed moderate behavior score 4.24 and 4.87 value scores. With stability in economic and political development, French do not expect radical changes about the future and typically concentrate on medium-term goals. Add to this traditional nationalism, and 'low-trust' social capital that keeps sufficient business interests within the domestic boundaries, and result may explain competitiveness problems of the French that stem from ineffective strategic behaviors.
- Uncertainty Avoidance (extent to which members of the organization or society strive to avoid uncertainty by relying on social norms, rituals, and bureaucratic practices to alleviate the unpredictability of future events) data display similar picture: practices score 4.58 and value score 4.08. These moderate scores reflect lower level of risk-taking in the bureaucratic environment, with respect to authority and in general, to the civil law system; as well as weaker entrepreneurial traditions when compared for example, to the U.S. or major emerging markets. These Uncertainty Avoidance scores communicate conservatism and acceptance of dirigisme and discipline in a complex French society.
- The last dimension *Humane Orientation* (degree to which individuals in organizations or societies encourage and reward individuals for being fair, friendly, generous, caring, and kind to others) behavior score was quite low 3.61 while value score was high 5.40. These data represent self-centric societal attributes accompanied by high fences between insiders and outsiders; and when compared to the other leading industrialized nations, relatively less developed horizontal intermediaries between and within institutions. However, "should be" scores reflect liberal and humanistic traditions and expectations in society.

The authors compared these French behavioral and value profiles computed on 2009-2010 data to the original GLOBE findings based on the survey of middle managers in the late 1990s. The primary argument for comparison was the consistency of the samples and consistency of the data collection procedures and processing framework. Table 1 shows

the summary results of behavior and value scores on GLOBE nine cultural dimensions with regards to both surveys and average scores for 61 societies per 1998 GLOBE data.

Figures 1 and 2 illustrate these data on the radar charts (7-points scale, 9-dimensions) where 2009-2010 French management profile is displayed with straight thick line, with scores; the original GLOBE profile is displayed with straight thin line, with scores; and 61-societies' average GLOBE profile is displayed with dotted line.

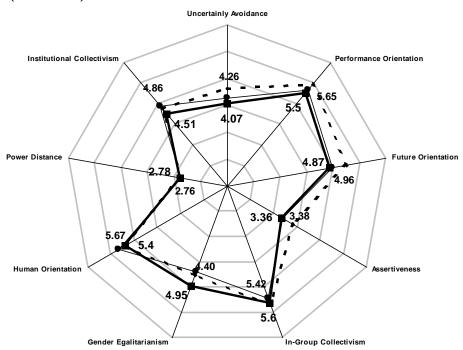
Figure 1: French management behavior scores along nine dimensions based on the survey of 63 managers in 2009-2010 (straight thick line, with scores) and the original GLOBE scores for French management (straight thin line, with scores) based on survey of 105 managers in 1998 relative to 61-societies' average GLOBE profile (dotted line).



The authors computed correlation coefficients for French behavior scores and value scores in two different sub periods. The results showed significant positive correlation between original GLOBE data in 1998 and the most recent data in 2009 on behavior scores ( $\mathbf{r}(9) = 0.866$ ,  $\mathbf{p} < 0.01$ ) and on value scores ( $\mathbf{r}(9) = 0.963$ ,  $\mathbf{p} < 0.01$ ). While the authors considered limitations of direct comparison of those two samples, strong correlation between profiles supported the two important ideas. First, the comparison

displayed close, sustainable results for French management profile assessed within 12-years' period. Second, the stability of data resonated with the broader assumption that substantial cultural shifts are not likely to occur in the economically and socially stable society within a half-generation time span (typical generation cycle is 25 years).

Figure 2: French management values scores along nine dimensions based on the survey of 63 managers in 2009-2010 (straight thick line, with scores) and the original GLOBE scores for French management (straight thin line, with scores) based on survey of 105 managers in 1998 relative to 61-societies' average GLOBE profile (dotted line).



Overall assessment of the GLOBE-based French profile generated important conclusions. First, this profile emphasized stereotype-like attributes of French management. Second, this cultural profile – both in terms of behaviors and in terms of values – has been stable within the twelve-year period. Such stability could be explained by the long history and depth of culture and traditions in the French society; by stability in its economic and political landscapes; and by absence of radical shifts in perceptions (quite different from post-communist counties, for example). However, several dimensions

displayed visible gaps between practices and values and may serve as potential vectors for the future directions.

#### FRENCH MANAGEMENT IN CROSS-CULTURAL SPACE

Since cultural attributes of managers surveyed in 1998 and 2009-2010 were quite similar, the authors further explored the original French GLOBE data relative to the other societies' data with the intent to extrapolate some of the results on each dimension and to construct generalizations from both studies.

The initial comparisons between French GLOBE profile and those of the other countries communicate distinctive differences. For example, French profile is quite similar to the GLOBE profile of the United States on Performance Orientation, Gender Egalitarianism, and Humane Orientation, but different on Uncertainty Avoidance (lower), Future Orientation (lower), and Power Distance (higher). GLOBE Chinese scores are much higher on In-group Collectivism, and lower on Uncertainty Avoidance and Gender Egalitarianism, while the Russian scores are higher on Institutional Collectivism but lower on Uncertainty Avoidance, Performance Orientation and Future Orientation. When placed in comparative framework, those differences may serve as powerful tool in benchmarking cultural gaps and optimizing network relations between and among international collaborators. However, rigorous instruments for measuring cultural distance are in demand.

In order to explore French management profile relative to the other societies in more details, the authors applied measurement instruments originally developed within FDI entry mode literature. Scholarly literature on cultural distance in management traditionally suggests the use of distance index developed by Kogut and Singh (Kogut and Singh, 1988; Barkema and Vermuelen, 1997; Bhadwaj et al., 2007). They formed the composite cultural distance index<sup>2</sup> and supported the view of the entry mode selection that was influenced by cultural factors. As a matter of fact, the entry mode choice literature in almost <sup>3</sup>/<sub>4</sub> cases displayed Hofstede's measures of national culture as their sole indicator of distance (Dow and Larimo, 2009). However, this simple yet reasonable approach to measuring differences however has been criticized for oversimplification of the cultural reality. Shenkar (2001, 2004) suggested that "distance" should not be perceived as symmetrical, stable, linear,

<sup>&</sup>lt;sup>2</sup> Composite index based on the deviation along each of the four Hofstede's cultural dimensions of each country from the target country's scores; corrected for differences in the variances of each dimensions and then arithmetically averaged.

casual on FDI, or negative in outcome; and proposed to treat it as "friction" (similar to Williamsonian transaction cost) in cross-border relations (Shenkar 2001, 2004).

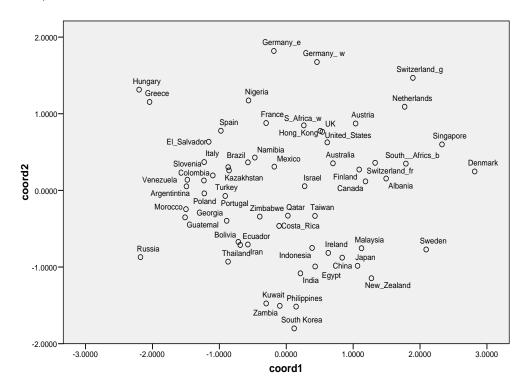
The authors calculated culture distance for pairs of behavior scores for France and each of the other GLOBE societies. Table 2 displays countries in ascending order from those with low distance from France to those with high distance. Among countries with the lowest cultural distance from France were representatives of Latin European (Italy, Israel, and Spain) and Anglo (United Kingdom, USA, white sample of South Africa, Australia) clusters. Among those with the highest distance were Philippines, Singapore, Zambia, Denmark, South Korea and Albania.

For each GLOBE society the authors computed average distance from all other countries in the study. Among 61 societal cultures' averages ranging from 1.21 (Israel) to 3.74 (Denmark), France was ranked 15<sup>th</sup> with the average distance from all other societies 1.56 which was lower than the all-societies mean of 1.97. When compared to G-7 countries (United States, Canada, Japan, the U.K., Italy, Germany and France) France score was relatively close to the mean score 1.77. And when compared to the mean 1.66 for Latin European cultural cluster<sup>3</sup> France societal data was anything but marginal.

Data on cultural distance for pairs of countries computed with Singh-Kogut index permitted further analysis of French management in cross-cultural space. Multidimensional scaling procedure applied to square symmetric 61x61 matrix with expectation of mapping cross-cultural landscape provided perceptual map that showed how different or similar country profiles were and whether they clustered or not. This model did not require linearity or multivariate normality and was found more attractive in this case over factor analysis. It resulted in a coordinate matrix (output) whose configuration minimized a loss function (strain) and reliability was tested with squared correlation of the input distances with the scaled p-shaped distances using MDS coordinates: R-squared as the fit measure was 0.82 - higher than the required 0.80 for good metric scaling. Figure 3 displays the multidimensional scaling map for the GLOBE societal cultures and French culture's position on this map.

<sup>&</sup>lt;sup>3</sup> In GLOBE study Latin European cultural cluster included Italy, Portugal, Spain and Switzerland (French sample) as well as Israel (Gupta and Hanges, 2004).

Figure 3: Cross-cultural map of cultures (behavior scores) with France which resulted from multidimensional scaling of GLOBE cultures' distances (R-square = 0.82).



This mapping supported findings discussed earlier and suggested Spain, Italy, Brazil, Mexico, the U.K., Hong Kong and Israel among those culturally closer to France on behaviors, while Denmark, Sweden, South Korea, Russia – among culturally more remote countries. The positioning of France on GLOBE cross-cultural map was compatible with the earlier multidimensional scaling based on Hofstede data (Burt et al., 2000).

In order to test their approach relative to the original Hofstede-type culture distance, the authors selected societal cultures in both Hofstede and GLOBE research projects in such a way that each culture was reported in both projects. Total 37 targets were identified, from which France was excluded. Singh-Kogut index was calculated for France on Hofstede data and tested against Singh-Kogut index on the GLOBE data. Consistent with our predictions there was a significant positive correlation between distance indexes computed on Hofstede and on GLOBE data (r(36) = 0.945, p < 0.01).

It should be noted however, that the overall advantage of the GLOBE research compared to Hofstede stems from the facts that (1) contrary to Hofstede, GLOBE scales measured cultural profiles on two aspects (practices and values) and (2) GLOBE project scales were developed and psychometrically tested for construct validity from inception (House et al., 2004: 140).

#### **CONCLUSIONS**

This study confirmed traditional French attributes and behavioral patterns and summarized distinctive cultural profile. When compared to the other countries that participated in the GLOBE study the French behavior scores displayed visible differences being relatively higher on Gender Egalitarianism and Uncertainty Avoidance, and lower on Institutional Collectivism, Humane Orientation, and In-group Collectivism. While the scores on Performance Orientation, Future Orientation, and Assertiveness were relatively close to the 61-societies' average score it was interesting that the authors did not find strong arguments in support of the traditional stereotype of high Power Distance in the French environment. At the same time, the study emphasized distinctive gaps between French managers' behaviors on the one hand and values with higher value scores on the other hand, on both Collectivism dimensions, Performance Orientation and Humane Orientation, and lower value scores on Power Distance and Uncertainty Avoidance. Those gaps may approximate directions for potential cultural change in the future. Overall, the authors provided arguments in support of sustainable French cultural profile in particular, presenting highly correlated cultural scores within the twelve-year period.

French profile was positioned relative to the other cultures with the culture distance instrument widely used in cross-cultural studies. In particular, the authors identified those with low distance from France (such as the countries of the Latin European, Latin American and Anglo clusters) and those with high distance from France (such as Nordic countries, Russia, South-East Asian cluster) and assumed distance measures as valuable tool in assessing potential cultural "frictions" when French managers interact with their counterparts from the other countries.

The findings presented herein have implications for practical management and for theory building.

(a) The results of this research may assist French and international firms doing business in France in tuning-up culture-sensitive corporate strategies; shifting focus

from strategic to organizational fit in cross-border mergers, acquisitions, and strategic alliances; in finding effective solutions for cross-cultural communications with French managers; and contributing to appropriate expatriate assignments and training.

(b) Implications of this research to theory building may apply to several disciplines. The new data and cultural measurements may add to traditional anthropological and behavioral studies of national cultures and French culture in particular; and to the cross-cultural and comparative management studies. The authors provided arguments in support of compatibility of the cultural distance data stemmed from major cross-cultural streams, namely Hofstede and GLOBE research. The findings and measurements of cultural distance may also contribute to economic theory by adding cultural variables to gravity models in international trade and FDI; and to global strategy field by advancing the view on the multinational firms' external global environment. And the findings add to the studies of content of social capital and networks in different cultural settings.

While the article has several obvious limitations, including but not limited to generallizability of the data, the size of the samples, selection of dimensions, etc. it responded to the advanced methodology and contributed to better understanding of attributes of French management in a cross-cultural space.

#### **ACKNOWLEDGEMENT**

The authors acknowledge support from Stanford University's Center for Global Business and the Economy and from CRESCEM (France) in conducting this research and preparing the manuscript for publication. They also thank Marie-Francoise Lacassagne (University of Burgundy) for assistance with the survey instrument.

#### REFERENCES

- Barkema, H. and F. Vermeulen. 1997. What differences in the cultural backgrounds of partners are detrimental for international joint ventures? *Journal of International Business Studies* 28 (4): 845-864.
- Bhardwaj, A., J. Dietz, and P. Beamish. 2007. Host country cultural influences on foreign direct investment. *Management International Review* 47 (1): 29-50.
- Burt, R., R. Hogarth, and C. Michaud. 2000. The social capital of French and American managers. *Organization Science* 11 (2): 123-147.
- Castel, P., M. Deneire, A. Kurc, M-F. Lacassagne, and C. Leeds. 2007. Universalism and exceptionalism: French business leadership. In J. Chhokar, F. Brodbeck, and R.

- House, editors, Culture and leadership across the world. The GLOBE book of in-depth studies of 25 societies. Mahwah, NJ: Lawrence Erlbaum (547-581).
- Chhokar, J., F. Brodbeck, and R. House. (editors). 2007. *Culture and leadership across the world.* The GLOBE book of in-depth studies of 25 societies. Mahwah, NJ: Lawrence Erlbaum.
- Crozier, M. 1964. *The bureaucratic phenomenon*. Chicago: The University of Chicago University Press.
- D'Iribarne, P. 2006. L'étrangeté française. Paris: Seuil.
- D'Iribarne, P. 1994. The honor principle in the "Bureaucratic Phenomenon". *Organization Studies* 15 (1): 81-97.
- D'Iribarne, P. 1996/1997. The usefulness of an ethnographic approach to the international comparisons of organizations. *International Studies of Management and Organizations* 26 (4): 30-47.
- Dow, D. and J. Larimo. 2009. Challenging the conceptualization and measurement of distance and international experience in entry mode choice research. *Journal of International Marketing* 17 (2): 74-98.
- Fukuyama, F. 1995. Trust: The social virtues and the creation of prosperity. New York: The Free Press.
- Giddens, A. 1986. The constitution of society. Berkeley and Los Angeles: University of California Press.
- Gupta, V. and P. Hanges. 2004. Regional and climate clustering of societal cultures. In R. House, P. Hanges, M. Javidan, P. Dorfman, and V. Gupta, editors, *Cultures, leadership, and organizations: The GLOBE 62 nation study*. Thousand Oaks: Sage Publications (178-218).
- Gupta, V., M. de Luque. and R. House. 2004. Multisource construct validity of GLOBE scales. In R. House, P. Hanges, M. Javidan, P. Dorfman, and V. Gupta, editors, *Cultures, leadership, and organizations: The GLOBE 62 nation study.* Thousand Oaks: Sage Publications (152-177).
- Hampden-Turner, C. and F. Trompenaars. 1993. The seven cultures of capitalism: Value systems for creating wealth in the United States, Britain, Japan, Germany, France, Sweden, and the Netherlands. New York: Doubleday.
- Hampden-Turner, C. and F. Trompenaars. 2000. Building cross-cultural competence: How to create wealth from conflicting values. New Haven: Yale University Press.
- Hanges, P. and M. Dickson. 2004. The development and validation of the GLOBE culture and leadership scales. In R. House, P. Hanges, M. Javidan, P. Dorfman, and V. Gupta, editors, *Cultures, leadership, and organizations: The GLOBE 62 nation study*. Thousand Oaks: Sage Publications (122-151).
- Hofstede, G. 1980. *Culture's consequences: International differences in work-related values.* Beverly Hills: Sage Publications.
- Hofstede, G. 1993. Cultural constraints in management theories. *Academy of Management Executive* 7 (1): 81-94.
- House, R., P. Hanges, M. Javidan, P. Dorfman, and V. Gupta, V. (editors) 2004. *Cultures, leadership, and organizations: The GLOBE 62 nation study*. Thousand Oaks: Sage Publications.

#### MARIYA BOBINA, STEPHANIE VERGNAUD, MIKHAIL GRACHEV, H. MARTIN SHANE, AND RICHARD SOPARNOT

- Inzerilli, G. and A. Laurent. 1983. Managerial views of organization structure in France and the USA. *International Studies in Management and Organization* XIII (1-2): 97-118.
- Kluckhohn, F. and F. Strodtbeck. 1961. *Variations in value orientation*. New York: HarperCollins.
- Kogut, B. and H. Singh. 1988. The effect of national culture on the choice of entry mode. *Journal of International Business Studies* 19 (3): 411-432.
- Kroeber A. and C. Kluckhohn. 1952. *Culture: A critical review of concepts and definitions*. Cambridge, MA: The Museum.
- Lessem, R. and F. Neubauer. 1994. *European management systems*. Maidenhead: McGraw-Hill. Maurice, M. and A. Sorge. 2000. *Embedding organizations*. Amsterdam: John Benjamins.
- Maurice, M., A. Sellier, and J. Silvestre. 1982. *Politique d'éducation et organisation industrielle en France et en Allemagne*. Essai d'analyse sociétale. Paris: Presses Universitaires de France.
- McClelland, D. 1985. Human motivation. Glenview: Scott, Foresman.
- Muratbekova-Touron, M. 2008. From an ethnocentric to a geocentric approach to IHRM: the case of French multinational company. *Cross-Cultural Management* 15(4): 335-352.
- Myers, A., A. Kakabadse, T. McMahon, and G. Spony. 1995. Top management styles in Europe: Implications for business and cross-national teams. *European Business Journal* 7 (1): 17-28.
- Nelson, M. and E. Browning. 1990. GE's culture turns sour. Wall Street Journal, July 31.
- Overby, J. 2005. An integrative review of customer value management and national culture: France and the United States. *International Journal of Management* 22 (2): 166-176.
- Paucar-Caceres, A. 2009. Pragmatism and rationalism in the development of management science methodologies in the UK and France. *Systems Research and Behavioral Science* 26: 429-444.
- Schoenberg, R., N. Denuelle, and D. Noburn. 1995. National conflict within European alliances. *European Business Journal* 7 (1): 8-16.
- Schwartz, S. 1992. Universals in the content and structure of values: Theory and empirical tests in 20 countries. In M. Zanna, editor, *Advances in experimental social psychology*. New York: Academic Press (1-65).
- Schwartz, S. H., G. Melech, A. Lehmann, S. Burgess, and M. Harris. 2001. Extending the cross-cultural validity of the theory of basic human values with a different method of measurement. *Journal of Cross Cultural Psychology* 32: 519-542.
- Shenkar O. 2004. The role of cultural distance in international expansion. In M. Trick, editor, *Global corporate evolution: Looking inward or looking outward?* Pittsburg: Carnegie Mellon University Press (363-371).
- Shenkar, O. 2001. Cultural distance revisited: Towards a more rigorous conceptualization and measurement of cultural differences. *Journal of International Business Studies* 32 (3): 519-535.
- Triandis, H. 1995. *Individualism and collectivism*. Boulder: Westview Press.

### **APPENDIX**

Table 1: All-country average scores (1998) and French scores (1998 and 2009-2010) on GLOBE cultural dimensions.

GLOBE dimension	61 societies behavior ("As Is") average (1998 survey)	French behavior scores ("As Is") and rank/band (1998 survey)	French behavior scores ("As Is") (2009- 2010 survey)	61 societies values ("Should Be") average (1999-2010 survey)	French values scores ("Should Be") and rank/band (1998 survey)	French value scores ("Should Be") (2009- 2010 survey)
Institutional Collectivism	4.25	3.93 (46/B)	3.96	4.73	4.86 (26/B)	4.51
Group Collectivism	5.13	4.37 (49/B)	4.12	5.66	5.42 (46/B)	5.60
Gender Egalitarianism	3.37	3.64 (17/A)	3.70	4.51	4.40 (39/B)	4.95
Assertiveness	4.14	4.13 (30/B)	3.99	3.83	3.38 (46/B)	3.36
Power Distance	5.17	5.28 (28/A)	5.22	2.75	2.76 (27/C)	2.78
Performance Orientation	4.10	4.11 (31/B)	4.08	5.94	5.65 (51/C)	5.50
Future Orientation	3.85	3.48 (47/C)	4.24	5.49	4.96 (55/C)	4.87
Uncertainty Avoidance	4.16	4.43 (18/B)	4.58	4.62	4.26 (45/C)	4.07
Humane Orientation	4.09	3.40 (57/D)	3.61	5.42	5.67 (7/B)	5.40

Table 2: GLOBE Culture distance index for French societal practices ("as is") in ascending order.

ascending order.								
Societies	Culture distance on practices	Societies	Culture distance on practices	Societies	Culture distance on values			
Namibia	.18495	Colombia	.62952	Switzerland, German- speaking sample	1.04721			
United Kingdom	.26344	Poland	.63173	Thailand	1.06539			
Italy	.32559	Costa Rica	.63602	Georgia	1.08295			
Brazil	.36173	Argentina	.65705	Ecuador	1.09632			
South Africa, white sample	.37916	Canada English	.69574	Morocco	1.10409			
Germany, East	.42720	Austria	.69651	Iran	1.11004			
Israel	.43212	Taiwan	.76673	China	1.13273			
Australia	.45085	Zimbabwe	.79420	Egypt	1.20379			
United States	.46349	Greece	.80577	South Africa, black sample	1.22954			
Spain	.47189	Venezuela	.85041	Sweden	1.29448			
Slovenia	.47642	Bolivia	.86592	Kuwait	1.29756			
Germany, West	.47698	Guatemala	.86980	India	1.30843			
Kazakhstan	.53351	Hungary	.87887	Malaysia	1.32986			
Finland	.56805	New Zealand	.88151	Russia	1.33120			
Portugal	.56964	Nigeria	.88510	Albania	1.36195			
Switzerland, French-speaking	.57556	Turkey	.99086	Korea, Republic	1.48027			
sample Mexico	.57943	Netherlands	.99206	Denmark	1.57227			
Hong Kong	.61509	Ireland	1.00547	Zambia	1.62264			
Qatar	.62093	Indonesia	1.02988	Singapore	1.64761			
El Salvador	.62936	Japan	1.03544	Philippines	1.98267			

Spring 2011 33