

A Proposal for Global Situational Theory

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In this editorial, I make the case for situational theory. Business communication is now a global phenomenon where individuals speaking different first languages, coming from different national cultures, and having to deal with diverse and complex situations interact with each other. Universal theory or the one best way approach is no longer appropriate in this increasingly diverse and complex global communication environment. It should be replaced by global situational theory. The present state-of-affairs shows the coexistence of universal theory coupled with situational theories describing US/Western and Asian/Eastern management and communication systems. Inconsistencies and contradictions exist in the theory.

I propose a framework to guide the development of global situational theory that integrates universal, US/Western, and Asian/Eastern theory. My proposal has four interrelated components: (1) organize theory and research into macro situational categories: industries (domestic, international, global, multi-domestic, and transnational) and organizational configurations (machine, professional, entrepreneurial, innovative, and multi-divisional) to reflect global and universal macro situations; (2) analyze and determine whether and what features of national culture influenced systems will be maintained, drop out, or merge into new features in the macro situations; (3) create micro situations composed of national culture influenced management and communication systems in industries and configurations to guide research and theory building; and (4) reclassify universal theory and past successful but discarded practices into macro situational categories. I describe how these four components that can be combined to develop situational theories that are appropriate to the widely different situations that exist in the present and future business communication environments. These theories can form the framework to guide research, theory development, and business practice.

Industries and Configurations

Industries identify differing situations in the global environment and organizational configurations identify situations that exist in each industry. Domestic industries take place in the home countries and therefore create a situation where communicators speak their own native language, interact with others from their own culture, and face familiar business conditions including a familiar legal system. Bartlett and Ghoshal (1989) describe the differing situations in international, global, multi-domestic, and transnational multinational corporations (MNCs) and industries. International industries represent the first movement towards becoming a global firm. In these industries, business takes place as usual except for a component that exports the company's products or possibly builds an overseas plant. In the international subcomponent of an international firm, the personnel will be exposed to different first languages, cultures, and being unfamiliar with business conditions. Consequently, these personnel need to possess language, intercultural, and an understanding of conditions in foreign countries.

The final three situations develop widely different communication patterns. The global multi-national corporation organizes a communication system where coordination takes place in global product divisions. These firms typically develop a company language, most commonly English, to conduct their business affairs. The personnel are full competency L1 (first language) and L2 (second language) speakers. The company attempts to develop a unified corporate culture.

Multi-domestic MNCs organize themselves into country divisions in order to tailor their products to meet specific customer and market needs. The personnel in the country divisions speak their own languages, interact with others from their own culture, and deal with familiar business conditions. Language

comes into play in vertical communication as messages are passed up and down the scalar chain to connect the country divisions with the company headquarters. So, often the head of a division is bilingual and able to speak the language of the country division and the headquarters. It is also possible that the country manager is assigned a language link pin who relays messages between the two languages. The multi-domestic company needs to balance the country organization cultures and its corporate-wide company culture. The transnational MNC is a hybrid. Its major features duplicate the global MNC while retaining the multi-domestic MNC features.

Mintzberg's organizational configurations describe the management and communication situations that develop within all industries. The machine organization is appropriate for producing standardized products or delivering standardized services. Classical organizational theory describes the communication patterns in this configuration. In professional organizations, professionals draw on their professional expertise to deliver their services to their clients. Hospitals, universities, and law firms are examples of professional bureaucracies. In professional organizations, the professionals make decisions on how to serve their clients while managers and service staffs provide a structure that supports professionals in carrying out their work. The machine organization structure does not fit the circumstances facing the professional bureaucracy. The entrepreneurial organization is centered around an entrepreneur and staff throughout the organization have an allegiance to this individual. The staff follows an ideology based upon the belief system of the entrepreneur in performing their individual tasks.

Innovative organizations are not trying to produce products as efficiently as in the machine organization but are constantly producing new products and services or to add distinctive features to existing products/services. The key to successful innovation organizations is to empower work groups. The 5th organizational configuration is the divisional organization. As organizations grow, multi multi-divisional organizations develop. The multi-divisional company consists of divisions that may take the form of any of the basic configurations and that take advantage all synergies that can be created among the divisions.

National Culture-Based Management and Communication Systems

The second component is the durability of national culture-based management and communication systems that have developed in the US/West and Asia/East. I describe these systems to set the stage for research and analysis to determine which cultural features will be retained, dropped, and merged

into new characteristics.

US/Western theory originated as a one best way theory and added situational theories over a 100-year period. Likert developed four situations representing a synthesis of US/Western situational theory. His four systems of management put forth seven variables for each system: leadership, motivation, decision making process, communication, interaction-influence, control process, and goal setting. System 1 is a system that preys of the work force while System 2 is a paternalistic system that treats workers like children. System 3 is consultative system where the top management considers individual's input throughout the organization when making decisions. System 4 is a participative management system where decision making is spread through organization.

Theory development in Asia originated in the 1980s. In a comprehensive review, Du-Babcock (2018) outlined the national culture influenced management and communication systems that developed in Japan, Korea, overseas Chinese, and Mainland China. Distinctive management and communication systems developed in different countries but there were features common to all of the systems. These common features were Confucian values and philosophy, face saving and giving, *guanxi* (relationships), high-context communication style, and the family as an organizing concept. I next describe and contrast the differing management and communication systems.

The culturally influenced Japanese management and communication system is based on *amae* (dependence), *on* (duty), *giri* (social obligation), and *ninjo* (human feeling). The Japanese management system resembles an extended family that has historical roots in a life time employment system. The use of the *ringi* system and quality circles facilitated the development of a highly participative decision-making process (Deresky, 2017).

The description of the culturally influenced Korean management and communication system contains inconsistent and contradictory descriptions. The prevailing view is that it is an authoritarian but paternalistic leadership (Chang & Chang, 1994). There is a clear hierarchical order and a vertical downward communication flow that is acceptable to subordinates in a hierarchy-based Confucian culture (Koo & Nahm, 1997). The inter-relationship between government and Chaebols reflects hierarchy-based relationships where the government guided and financed international expansion.

There also are sketchy and incomplete research studies that contradict this prevailing theoretical view. Chen (1995) and Shin (1998) note that either dual organizational hierarchies with separate scalar processes or functional authority relationships outside of the scalar chain of vertical reporting relationships have been established in Korean MNCs. For decision making,

Korean MNCs adopted a version of the Japanese *ringi* system. Samsung is an example that the Korean *ringi* system required 21 “chops” before a final decision was approved by the top executive (Paisley, 1993).

The overseas Chinese developed interconnected networks of worldwide family enterprises. These firms pursued low cost-no frills organizational strategies and either became the contract manufacturers or concentrated on niche markets with Chinese customers. These firms were driven by an entrepreneurial leader (father figure) who occupied a dominant role as the head of a clan and family members at all organizational levels to facilitate coordination.

The organizational configuration and communication system of Mainland Chinese MNCs resembles an updated version of the traditional overseas Chinese organization with the exception of its personnel makeup. Rather than being held together by blood family members, the family bond is held by the mutual desire to succeed and the bonding and allegiance to the entrepreneurial leader.

Creating Micro Situation to Guide Research and Theory Building

The third component is the creation of micro situations to guide research and theory building. These micro situations are created by combining industries, configurations, and national culture influenced/based management and communication systems. To illustrate, a national culture influenced/based management and communication system of a particular country is chosen and held constant and paired with industries and configurations. For example, a micro situation is the Japanese cultural influenced management and communication system in a global industry and a machine organization configuration. Specifying all possible micro situations provides the basis for comparative analysis.

One approach could be a longitudinal comparison of the same company starting with it as a domestic firm and following its organizational growth to see which features are retained, dropped out, or modified as the company moves from domestic to international and global stages. Another methodology could compare firms from different countries, cultures, and representing different configurations at domestic, international, and global stages. This sampling methodology has the advantage of providing an assessment of the standard deviation at different stages of growth. In sum, creating micro situations facilitates the understanding the interrelationship of national culture, organizational configuration, and industry variables.

Past Theory and Discontinued Practices

The fourth component is to reintegrate previously developed theory and discontinued practices in the global situational theory. I use the principles of unity of command and scalar chain in contrast to matrix management as an example of inconsistent theory that requires revision and updating. The classical principles of unity of command and scalar chain are set forth as universal principles stating that a subordinate should report to one boss. The scalar chain principle states that clear and unbroken vertical lines of authority should be established from the top to the first line level of organizations.

Matrix management violates these principles in order to achieve improved coordination systems in specific situations. These situations occur when functional managers are overwhelmed and cannot give adequate attention to the projects or products under their jurisdiction. To alleviate this attention, product or project managers are added to the organizational structure in order to give added attention to specific products or projects. Thus, the coexistence of these two classical principles and matrix management introduce a contradiction in the existing theory.

Matrix management represents a movement towards situational theory that is applicable only in certain situations while principles of unity of command and scalar chain are applicable in some but not all situations. But theory has not been updated to reflect this reality. Consequently, fuzziness exists in the theory. This fuzziness is possibly exaggerated as the principle of unity of command and scalar chain are expressed in a single easy-to-understand statements; whereas, the complexity of matrix management makes is much more difficult to understand.

Concluding Remarks

My editorial sets forth a framework for future research and theory development. With the world becoming increasingly globalized, additional world areas will be entering the global communication environment and thereby introducing additional national culture based management and communication systems. So, an essential step is to add situational theory that describes the differing situations in these countries as they enter the global communication environment. The developed theory should be labeled, put into situations, and cumulatively added to with research and new insights. The framework is constructed so as to continue to be operational with continued global expansion.

I believe that industries and configurations will remain permanent parts of the framework as they cut across languages and

cultures. Presently, it is an open question as to what national cultural characteristics will be retained, dropped out, or modified. Systematic and well-designed research as well as anecdotal accounts can shed light and help answer this question. Counterbalancing forces will come into play as MNCs attempt to maintain and build on their corporate cultures while additional national cultures are introduced with organizational and industry expansion into different world areas. It is possible that national cultural characteristics and national language spoken will be retained in some situations. My prediction is there will be (a) more convergence in global industries, less in transnational industries, and the least in multi-domestic industries and (b) more convergence in innovative, entrepreneurial, and professional configurations than in the machine organization configuration.

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