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SCOPE AND APPROACHES TO COMPARATIVE MANAGEMENT STUDIES

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I. Overview

The field of comparative management studies includes research activities undertaken to identify and explain similarities and differences among business strategies, management systems and social behavior in different work contexts (e.g., geographic areas, cultures or industries). Comparative management studies is one of several research approaches that have been used to learn more about cross-cultural management practices and researchers in this field are particularly interested in identifying elements of organizational design theory and practice that are universal, and thus can be found in all cultural contexts¹, and elements that will necessarily be different due to the impact of culture and other environmental conditions. Practitioners of comparative management studies must be neutral in their preferences between different countries and cultures and avoid assuming that a particular cultural orientation or management style is better than any other for handling a specific situation² and their goal is to conduct an objective and comprehensive

¹ It is often said that researchers engaged in comparative management studies are looking for universal elements of organizational theory and practice that “emerge” as information is collected from studies of more culture and that one of the principal goals of this type of research is identifying an “emergent universality”. Not surprisingly, elements that consistently vary as cultural investigation expands are identified as “culture specific” without adverse judgment. In order for comparative management studies to be conducted properly and objectively, the balance between emergent universality and culture specificity should be a research finding and not assumed in advance. See, e.g., N.J. Adler, “A Typology of Management Studies Involving Culture,” Journal of International Business Studies, 14(2) (1983), 29-48.
² See P. Hesseling, “Studies in Cross-Cultural Organization,” Columbia Journal of World Business, 8 (December, 1973), 129 (“Cross-cultural studies must start with the assumption that there is no, a priori dominant culture which is superior in coping with
comparison of two or more distinguishable management styles and identify characteristics and patterns that can inform and educate all managers.

While comparative management studies should be viewed and treated as a distinct research field notice should be taken of its close relationship to the important topic of cross-cultural or inter-cultural management studies which is primarily concerned with identifying and integrating the appropriate mix of knowledge, insights and skills that are needed in order to adequately deal with national and regional cultures and differences between cultures while attempting to manage organizations whose employees, customers and/or other business partners operate within more than one culture. Cross-cultural management studies describe and compare the behavior of managers and employees in various cultures and countries in order to identify issues that may arise due to different cultural attitudes and design processes, including training and educational programs, that can be used to overcome problems and reduce conflicts so that everyone within these multi-cultural organizations can work effectively together to achieve the objectives established in a global organizational strategy. Appreciation of cross-cultural management issues is essential for companies that expand and globalize their operational activities since the pre-existing management knowledge base developed during their purely domestic stage will no longer be adequate to deal with new countries and cultures.

II. Value of Comparative and Cross-Cultural Management Studies

Consultants and other professionals have generated a continuous stream of ideas regarding practical applications of the byproducts of comparative and cross-cultural management studies. In particular, there has been a substantial amount of interest in the use of the “cultural dimensions” identified by Hofstede, the GLOBE researchers and others to improve cross-cultural communications in the workplace and enhance the operational effectiveness of firms conducting business in multiple societal cultures. When using the cultural dimensions and the various “rankings” and “scores” for countries and societal cultures it is important to remember that the cultural preferences of specific individuals may be different and cannot be predicted with absolute certainty from the scores of the country or society from which that individual comes (e.g., a high uncertainty avoidance score for a particular society does not mean that every member of that society has the same intensity of aversion to risk). Care must also be taken not to place too much emphasis on the raw scores for countries and societal cultures but simply accept and acknowledge that the scores should be used to flag the possibility of relative differences between countries or cultures on a particular dimension. Another reason that recognizing and understanding the concept of cultural dimensions is valuable

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4 Portions of the discussion in this section are adapted from J. Bing, “Hofstede’s consequences: The impact of his work on consulting and business practices,” Academy of Management Executive, 18(1) (February 2004).
is because it helps managers recognize their own cultural tendencies and why they are likely to think and act in certain ways. This sort of self-realization will hopefully lead to an appreciation of the fact that individuals from other cultural backgrounds may approach a situation from a very different perspective and that it is therefore necessary to consider whether changes need to be made in business processes, communications and practices.

One of the most useful byproducts of cross-cultural management research is the identification of culture-based differences that can be expected to have a significant impact on the selection and effectiveness of particular management styles and processes in a specific cultural context. Among the cross-cultural differences that are commonly cited and analyzed are the following:

- **Centralization of authority:** Variations among cultures have been identified with respect to the degree to which authority for making important business decisions is centralized with a small group of senior managers as opposed to delegating authority downward in the organizational hierarchy (i.e., “decentralization”).
- **Risk tolerance:** Cultures vary with respect to the level of uncertainty and risk that managers are willing to comfortably tolerate and manage. In some cases, managers are highly risk averse and devote a significant amount of time and resources to controlling and minimizing risks. At the other extreme, however, there are managers in certain cultures who aggressively take on higher levels of risk.
- **Reward systems:** Some cultures prefer the use of reward systems that are based on measuring and motivating individual achievement while other cultures generally rely on incentives that reward desired collective behavior of groups.
- **Level of formality:** Cultures vary in the degree to which they prefer to rely on formal management procedures.
- **Organizational loyalty:** In some cultures there is a high level of identity with and loyalty to the company while in other cases the loyalties of employees lie with their occupational group or profession as opposed to any specific employer.
- **Level of cooperation:** Cultures differ in their preference for emphasizing cooperation among managers and employees as opposed to encouraging competition within the company to find the most efficient way to achieve the company’s objectives.

Information regarding these types of differences can be used in a number of ways by managers of global businesses. For example, knowledge regarding culture and what are considered to be effective and legitimate leadership and management styles and behaviors can be used in operating and managing foreign subsidiaries and in designing orientation and training programs for employees of global organizations. Another important area in which information from cross-cultural research can be used is training organizational leaders to ensure that they understand and execute behaviors that are culturally appropriate and which are perceived as being positive and effective by their followers. A related issue is making sure that the management strategies and procedures used by organizational leaders take into account cultural differences. Cultural sensitivity is also essential when negotiating and managing cross-border business relationships with

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partners from different societal cultures. Finally, societal cultures are a key and inescapable part of the external environment for all organizations and thus must be considered when designing and executing organizational strategies.

In addition to the applications noted above, comparative management studies provides managers with a rich repository of information regarding managerial styles and processes employed by their colleagues in other countries that can be used to improve their own skills and may identify insights that can be applied in their own organizations. The traditional US domination of the research and commentary on the science and art of management is rapidly eroding and is being replaced by the realization that “best practices” for designing and implementing organizational strategies and coping with organizational design issues may emerge almost anywhere in the world and that competition is now just as likely to come from a firm located halfway around the world as it is from someone down the street. This does not mean that managers should, or can, merely copy something that appears to be working in another country. What is needed instead is the ability to use the techniques of comparative management studies to pare the actions of managers in other cultures to understand why they make sense in light of their situation (i.e., external environment, technology, human resources, societal and organizational culture, etc.) and then adapt those ideas that make sense to a different environment. For example, while a manager operating in a small country with a transitional economy in Eastern Europe can certainly benefit from exposure to management techniques practiced in the US and Japan he or she may realize more immediate benefits from studying the successes and failures of managers in countries at comparable levels of political and economic development and with similar cultural characteristics and traditions.

III. Approaches to Comparative Management Studies

For a long time scholars interested in management and organizational activities searched for universal rules regarding oversight of firm activities and relations between managers and employees that could be applied successfully in every situation. Much of the work was carried out by scholars based in the US and relied on studies of US companies operating primarily in their domestic market. For the most part they paid little or no attention to factors such as culture or the external environment in which firms operated and competed. In the 1950s, however, a new discipline that eventually became known as “comparative management” emerged as a small group of scholars began to suggest that it was possible to identify and explain similarities and differences in the management practices and inter-firm relationships of firms operating in different cultures and socio-economic environments. Once comparative management was established as a recognized field of study the volume of research expanded exponentially and a number of theories and methods have been introduced; however, it is fair to say comparative and cross-cultural management studies remains a young discipline with many basic methodological issues yet to be resolved. The surge of interest in the area has been fueled by the explosion in global business activities that has occurred over the last 50 years as more and more companies find themselves both competing with foreign firms deploying what
appear to be very different management styles and diversifying the cultural profile of their own organizations as they set up branches and subsidiaries in foreign countries.

This section provides an introductory summary to the main approaches that have served as the foundation for comparative and cross-cultural management studies: the socio-economic (economic development) approach; the environmental (ecological) approach; the behavioral (socio-psychological) approach; the organizational theory approach; the open system (eclectic) approach; and the systems model approach.\(^6\) Most of these approaches can be categorized as primarily macro models that attempt to explain the overall management systems used by firms; however, several of the approaches are useful in examining micro-level elements such as the behavior of individuals working inside those firms. Several of the earlier approaches were severely limited by the fact that they attempted to account for differences in management styles and organizational effectiveness by focusing on just one particular variable such as the stage of economic development, external environmental factors, managerial attitudes or culture. The emerging consensus is that relying on a single variable is too simplistic and that organizational and managerial behavior and effectiveness is a complex matter that is influenced and determined by an array of quantitative, or objective, variables (e.g., market share, profits and return on investment) as well as qualitative, or subjective, variables such as culture, climate attitudes and managerial philosophy. In addition, consideration must be given not only to general environmental factors but also to variables within the specific task environment of a particular firm and its managers.\(^7\)

1. **Socio-Economic (Economic Development) Approach**

The socio-economic approach suggested by Harbison and Myers is based on the proposition that the choice of management styles and beliefs should be tied to the stage or level of economic and industrial development in the country where the manager is operating.\(^8\) Harbison and Myers identified four stages of economic development which they believed represented the universal and inevitable progress from an agrarian-feudalistic society to an industrialized-democratic system for all countries and then described corresponding appropriate management styles for each of these stages. Assuming that all countries would eventually reach the most advanced level of economic development the Harbison-Myers model predicted that managerial beliefs and practices around the world would ultimately converge and that all firms and managers, regardless


\(^7\) S. Chandarapratin (1996), supra note 6, at 41 and 56-57; R. Nath, Comparative Management: A Regional View (Cambridge, MA: Ballinger, 1988).

of culture and environment, would rely on participatory and democratic management systems. In many ways, the economic development approach was not much different than the then-prevailing "universalist" management school that argued that all organizations around the world would eventually embrace and practice a single management system.

While there is general agreement that differences in socio-economic systems can and do have an important impact on management practices in a particular country the economic development approach has been criticized on several fronts. First, it does not include any attempt to evaluate whether or not specific elements of the management styles contribute to organizational effectiveness. Second, it does not recognize or explain differences in management styles among companies in the same country operating within the stage of industrial development. Third, it ignores the real possibility that managers in countries at different stages of economic development may nonetheless use similar management practices. Finally, it suggests that managers cannot proactively modify their management styles on their own and must await external events that cause the country to transition to the next stage of economic development—a somewhat dispiriting proposition for ambitious and entrepreneurial managers in a developing country.

Since the Harbison-Myers model was first introduced the progression of countries toward industrialization has been far from uniform and consistent and, in fact, the gap between the industrialized and developing nations has widened. As a result, it is apparent that significant socio-economic differences among countries will persist for some time and that the universal acceptance of a participatory-democratic management system as suggested by Harbison and Myers is unlikely in the foreseeable future. Another problem for the efficacy of the Harbison-Myers model is the fact that fundamental differences in management styles have already been observed among countries, notably Japan, that have reached the fourth and final stage of economic development. Nonetheless, Harbison and Myers are to be commended for laying the foundation for comparative management studies by suggesting that socio-economic conditions could influence management practices and encouraging scholars to undertake research on management systems in countries outside of the US.

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9 S. Chandarapratin (1996), supra note 6, at 42-43.
10 Various studies have confirmed differences in management styles among companies with similar characteristics operating within the same geographic area and under comparable conditions. See, e.g., P. Lawrence and J. Lorsch, Organization and Environment: Managing Differentiation and Integration (Homewood, IL: Irwin, 1967); R. Duncan, "Characteristics of Organizational Environments and Perceived Environmental Uncertainty," Administrative Science Quarterly, 17 (1972), 313-327; and R. Tung, "Dimensions of Organizational Environments: An Exploratory Study of Their Impact on Organization Structure," The Academy of Management Journal, 22 (1979), 672-693.
2. Environmental (Ecological) Approach

The first, and still most well-known, example of the environmental approach is the Farmer-Richman model which posited that elements of the management process (e.g., planning, organizing, staffing, directing, controlling and policy making in operational areas) are affected by cultural variables—risk-taking preferences, attitudes toward achievement and needs—and various types of external constraints (i.e., educational, sociological, legal-political and economic) and that the management process affects management and managerial effectiveness which ultimately determines firm and system efficiency. The Farmer-Richman model represented a substantial leap forward from the socio-economic approach given the attempt to conceptualize a number of external environmental variables—not just economic or industrial development—and examine their relationship to observed similarities and differences in management styles and practices in different countries. In addition, the explicit inclusion of culture as a significant variable in determining the content and effectiveness of managerial practices provided a means for examining what was going on inside the firm at the micro level and how cultural factors might be impacting the behavior and performance of workers and the overall organizational effectiveness of the firm. On the other hand, however, this model has been criticized as placing too much emphasis on factors external to the firm and ignoring internal organizational variables and the fact that managers do not passively accept their external environment and actually adopt their own strategies and organizational processes to change or control external factors. Another alleged shortcoming of this model is that it is static and does not take into account changes in certain of the environmental factors that will occur as a result of industrialization. Finally, the failure of the Farmer-Richman model to explain why two seemingly similar firms operating under comparable environmental and cultural conditions often use very different management styles and processes eventually led to the introduction of the open systems approach described below.

3. Behavioral (Socio-Psychological) Approach

The behavior approach includes a number of different types of research studies and assumes that managerial practices, and their effectiveness, are a function of a range of cultural variables including beliefs, value systems, attitudes, perceptions, behavioral patterns and managerial philosophies. The behavioral approach is a micro model that is primarily interested in examining and interpreting the psychological characteristics of managers and their employees in the workplace and how those impact the way that groups within the firm interact and perform. Research efforts under the umbrella of the

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14 S. Chandaraaprin (1996), supra note 6, at 44.
behavioral approach have included national character profiles\textsuperscript{16}; studies of the attitudes and perceptions of managers regarding key management concepts and activities\textsuperscript{17}; and studies of prevalent beliefs, value systems and need hierarchies in various cultural groups.\textsuperscript{18} Not surprisingly, the research confirms the existence of significant differences among cultures and countries with respect to the aforementioned cultural variables and the results provide a cautionary note for managers seeking to transfer managerial behaviors and styles across cultural boundaries. However, shortcomings with the behavioral approach include the failure to explain the reasons for the identified differences and recommend strategies that can be used to effect changes through to be necessary to improve organizational effectiveness.\textsuperscript{19} The frequently cited work of Hofstede, who identified five cultural dimensions of work-related values\textsuperscript{20}, has also been criticized for failing to provide hard empirical evidence to support the conclusions presented by Hofstede as how cultural factors actually influenced organizational structure and managerial practices.\textsuperscript{21} In addition, concerns have been raised about vague definitions of “culture” and overly simplistic lists of cultural variables that ignored important factors thought necessary for a fuller understanding of the relevant socio-psychological environment in a particular country or region.\textsuperscript{22} There have also been complaints that the research tools, originally developed in the US, were not properly adapted for use in other cultures. Finally, behavioral researchers have often cite culture as a basis for explaining differences when in fact there is a strong likelihood that other environmental variables (e.g., technology, socio-economic, legal or political) provide a better explanation.\textsuperscript{23}


\textsuperscript{16} See, e.g., S. Davis, Comparative Management: Cultural and Organizational Perspectives (Englewood Cliffs, NJ: Prentice-Hall, 1971).


\textsuperscript{18} See, e.g., S. Davis, Comparative Management: Cultural and Organizational Perspectives (Englewood Cliffs, NJ: Prentice-Hall, 1971).

\textsuperscript{19} R. Nath, Comparative Management: A Regional View (Cambridge, MA: Ballinger, 1988).

\textsuperscript{20} G. Hofstede, Culture’s Consequences: International Differences in Work Related Values (Beverly Hills, CA: Sage, 1980).

\textsuperscript{21} M. Tayeb, Organization and National Culture (Beverly Hills, CA: Sage, 1988). Hofstede’s work has also been criticized as being biased toward American ownership and types of jobs and for using inappropriate measurement tools and sampling techniques. Id.

\textsuperscript{22} R. Nath, Comparative Management: A Regional View (Cambridge, MA: Ballinger, 1988).

\textsuperscript{23} S. Chandarapratin (1996), supra note 6, at 51.
4. Organizational Theory Approach

The organizational theory approaches supplements the cultural variables used in the socio-psychological approach with consideration of additional factors borrowed from the field of organizational theory including the size and structure of the firm, performance indicators and the variables included in the task environment described below in connection with the open system approach. The organizational theory approach is often cited as being more practical with greater utility for managers seeking answers to their day-to-day issues and problems. The organizational theory approach has not, however, caught on due to severe limitations in the type and volume of research. Most of the studies focusing on this approach have been limited to a small number of interviews with persons from a limited number of firms in each country and the results have been aggregated at the national level such that managers cannot easily identify patterns or relationships that they can apply in their own firms.24

5. Open System or Eclectic Approach

The open system, or eclectic, approach encompasses the efforts of a number of researchers to create models that focus on the interaction between firms and their various environments. The first well-known open systems model was developed by Negandhi and Prasad and grew out of criticism of the Farmer-Richman model for failing to explain why two seemingly similar firms operating under comparable environmental and cultural conditions often use very different management styles and processes.25 Negandhi and Prasad developed a model that hypothesized that the management practices deployed within a firm are determined not only by environmental factors but also by the management philosophy of firm managers which is not necessarily dictated or predetermined by culture or environment.26 The Negandhi-Prasad model also suggested that environmental factors not only influenced management practices but also had a direct impact on management and enterprise effectiveness.

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24 Id. at 51-52.
25 A. Negandhi and S. Prasad, Comparative Management (New York: Appleton-Century-Crofts, 1971). Two well-known American retailers, Montgomery Ward and Sears-Roebuck, we compared to illustrate how two firms operating in the same market and environment could select different management styles and processes. See also S. Chandarapratin (1996), supra note 6, at 44-48.
26 In their original study Negandhi and Prasad compared subsidiaries of American firms located in Argentina, Brazil, India, the Philippines and Uruguay to local companies engaged in the same activities and concluded that the local companies have developed management philosophies similar to those of the American subsidiaries and that the managerial styles and effectiveness of the local companies was not much different from the American subsidiaries. The study was cited as evidence of the close relationship between management philosophy and practice and the possibility that the same management philosophy could be successfully applied in different cultural contexts.

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The Negandhi-Prasad model suggests that there are three different types of environment—task, organizational and societal. The task environment includes suppliers, employees, owners (e.g., shareholders), consumers, government and the community in which the firm operates. The variables that are part of the organizational environment, which are generally considered to be under the control of the managers of the firm, include size, structure, technology, organizational climate, capital and human resources. The variables in the societal environment are essentially the same as those included in the Farmer-Richman model (i.e., socio-economic, educational, political, legal and cultural). The management philosophy referred to in the Negandhi-Prasad model includes the attitudes and beliefs of managers of the firm regarding the variables in the firm’s task environment described above. The management practices referred to in the Negandhi-Prasad mode are similar to those in the Farmer-Richman model and include planning, organizing, staffing, motivating and directing and controlling.

The Negandi-Prasad model has been praised for distinguishing between managerial and organizational effectiveness and stressing that performance should be evaluated using both economic and non-economic measures since economic performance may be influenced by external factors (e.g., inflation or political instability) outside of the control of the firm and its managers. The model also recognizes that it is management’s perception of events and conditions in the firm’s task environment, rather than objective reality, which forms the foundation for their management philosophy, thus helping to explain why apparently similar firms in the same county might be managed quite differently. However, the Negandi-Prasad model has been criticized as being not comprehensive, relying on arbitrarily selected and poorly defined variables, failing to examine interrelationships between variables and failing to explain the relationships between variables and the organizational effectiveness of the firm. In addition, the relatively small weight that the model gives to the role that culture plays in the formation of managerial attitudes has also been challenged by critics who maintain that even the most innovative and enlightened management philosophy will not succeed unless barriers to execution embedded in the cultural environment can be identified and overcome.

28 S. Chandarapratin (1996), supra note 6, at 52-53.
29 Id. at 45 and 53. In fairness, many of the models of comparative management suffer from a lack of inquiry into the relationships between variables and the impact that variables appear to have on organizational effectiveness. One interesting critique made by Chandarapratin is the Negandhi-Prasad model fails to include competitors as a variable in the firm’s task environment and thus ignores the forces that determine competitive strategy, which is an important influence on core management practices such as strategic planning, pricing and diversification that ultimately play a key role in managerial and organizational effectiveness and success.
Another open system model envisions dynamic interaction between an organization and its general and task environments. The variables that are part of the organization include management philosophy, organizational structure and processes, union-management relations and policies in areas such as finance, marketing and human resources. The general environment includes six subsystems: cultural, sociopolitical, economic, technological, legal and informational. The contingency model developed by Lawrence and Lorsch is another example of the open systems approach and argues that the management system used by a firm should be compatible with the nature of the people within the firm, the nature of the tasks that must be performed in order for the firm to operate effectively and the nature of the environment in which the firm is operating. For example, theory X style of management is generally appropriate for a firm in situations where its people are dependent, the tasks to be completed are routine and require technology that is established and the operating environment is stable and predictable. On the other hand, firms should opt for theory Y style of management when people are highly educated and independent, tasks are non-routine and technology is unsettled and rapidly changing and the operating environment is turbulent and unpredictable. This model has been criticized for failing to give sufficient weight to cultural factors.

6. Systems Model Approach

The systems model approach suggested by Tung uses an organizational climate construct as a platform for analyzing interactions between external and internal organizational variables and measuring the impact of these interactions on organizational effectiveness. Tung’s model also allows researchers to suggest and test possible causal linkages between variables. This approach, which relies heavily on the tools available in the field of multivariate analysis, has been praised for its potential to overcome many of the limitations of prior comparative management models cited above. For example, supporters have claimed that Tung’s approach would provide greater understanding of why certain management styles work in one culture and not in another, information that managers could use to determine the best approach in a given situation. In addition, Tung’s approach does not assume that the management styles and practices used within a country or culture are uniform and the advanced analysis can be used to illuminate just why firms and managers operating within the same culture may choose different managerial approaches.

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32 P. Lawrence and J. Lorsch, Organization and Environment (Homewood, IL, Irwin, 1969).
34 S. Chandarapratin (1996), supra note 6, at 55.

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7. Adapted Comparative Model Approach

Following his review of several of the major comparative management models discussed above, Chen suggested an adapted comparative model approach based on three distinct, yet interrelated, focuses: organization, strategy and environment. In suggesting this approach Chen chose to use the open systems model developed by Negandhi and Prasad as a starting point since, criticisms aside, it is a comprehensive and pragmatic combination of important features of other macro- and micro-oriented models and then proceeded to add and integrate several new interesting elements relating to management practices, competitive strategies and national industrial strategies and policies.

As is the case with Negandhi and Prasad, Chen begins with management philosophy and environmental factors, both of which are composed of essentially the same elements used in the Negandhi-Prasad model. Chen takes an interest step further, however, by suggesting that national industrial policies are an important dimension of the external environment that must be explicitly considered. Chen developed his model after the US had gone through an extended period of competitive challenge from Japan and other countries that had led to calls for the US to implement own industrial policy to remain competitive while confronting institutionalized collaborative arrangements involving government, corporations, financial institutions and labor unions in Japan. While Chen does not specifically advocate the use of industrial policy he does correctly point out that industrial policy, when deployed as it was in Japan and in other Asian countries, obviously has a substantial impact on other elements of the model including management systems, organizational structure and the overall socio-economic environment.

Like the Negandhi-Prasad model, management philosophy and environment affect management practices. In addition, however, Chen argues that the effect of management philosophy and environment on “competitive strategies” must also be considered and that competitive strategies and management practices interact with one another. The management practices referred to in the Chen model are somewhat different than in the Negandhi-Prasad model as Chen breaks them out into three distinguishable categories of management activities—managing technical core activities (i.e., planning and supervising); which is influenced by market conditions, size and managerial policies; managing the social systems (i.e., interpersonal relationships) that exist within the organization, which is influenced by socio-cultural factors; and managing the external relationships of the organization, which is influenced by economic, legal and political

environmental factors.\textsuperscript{37} The inclusion of competitive strategies recognizes the impact that strategy has on organizational structure and the role that designing the appropriate organizational structure plays in establishing the proper fit between organizations and their environments.\textsuperscript{38} Finally, environmental factors, management practices and competitive strategies all affect management effectiveness and enterprise effectiveness is determined by management effectiveness and environmental factors.

\textsuperscript{37} Chen explicitly attributes the three categories of management activities to the earlier work of Parsons as discussed in T. Parsons, "Suggestions for Sociological Approach to the Theory of Organizations", Administrative Science Quarterly (June 1956), 62-85.