

In This Issue

Bond and Hofstede's 'The Cash Value of Confucian Values'

Professors Hofstede and Bond have pursued intercultural research in management for more than two decades. They are now sharing their most interesting and challenging results with international audiences.

Management methods and systems must grow out of the ever changing variety of circumstance, not be based on simplistic notions of what 'has worked before' or the smug 'wisdom' of bureaucratic mediocrity: 'if it ain't broke, don't fix it.'

Hofstede and Bond have aspired to find connections between the 'values of nations' and their economic performance. This is a more challenging proposition than it may appear to a practicing manager: it involves the notion of cross-cultural and inter-cultural value comparisons. Certain sets of work-related values lead to better economic performance than other sets.

For example, a country's GNP is strongly related to the values constituting 'individualism'. But is individualism also related to *economic growth*, a more desirable measure of economic performance unrelated to GNP? The extraordinary growth levels among the 'Five Dragons' countries provided a veritable and exciting laboratory for this kind of research. But is it Confucianism? But then, why the Five Dragons and not China? The proposed answer lies in the new complex of values which the authors labeled 'Confucian work dynamism'.

We consider it important that these kinds of measurements were taken from *university students*: the bedrock of middle and upper level management in a given country. Most frustrating and potentially fatal error of quality management training and practice in the U.S.A. is that it is concentrated on

practicing managers (quick fix and quick buck?) and not on university students. Although many companies have successfully switched towards integrated process management or quality management, none of the U.S. MBA programs has yet been so redirected! U.S. management gurus are trying 'to teach an old dog new tricks' while entirely neglecting the schools of business and their curricula, the bedrock of future generations of management.

It is not necessary to presume that fixed, unchangeable and different sets of values are at work: there is such a thing as human values and all human cultures possess them: it is their particular manifested 'active' portfolio at any given time that can be incomplete, mutilated and artificially displaced or its vital components muted by authoritarian force of old-fashioned and incompetent 'social engineering'.

It is to be hoped that the Bond-Hofstede approach, after successfully analyzing the 'upsurge in East Asia', will be vigorously tried to analyze the values underlying this accelerating 'decline of the West', at least in the areas of business, management and global competitiveness.

Probst and Gomez's 'Network Thinking in Management'

In this era of integration and holistic thinking, it is only appropriate that proper attention is being paid to network (systems)-oriented thinking and problem solving.

Professors G.J.B. Probst and P. Gomez from Switzerland have endeavored to identify and describe first pertinent dimensions and characteristics of managerial holistic thinking. (The reader can substitute the term *holistic* whenever the authors use their own metaphoric 'wholistic'.)

One of the main points is that management problems (or any other problems) are not based on facts, but on perception of facts. Or, going further,

problems are socially tested individual constructions of realities and therefore problem formulation should not be separated from problem solution. Readers are advised to consult the newly emerged theories of *cognitive equilibrium* and *decision making as organization of knowledge*.

Probst and Gomez do not go that far, but do recommend taking into account observer's viewpoint, differential viewpoints of different observers and re-stating (rather than 'solving') the problem.

A number of 'logical fallacies' of the Cartesian thinking is discussed. Fallacies like assuming a single cause, or starting from static 'snapshot' of a situation, or assuming essential predictability as a function of the amount of information or problem 'solvability' as a function of effort, as well as the 'boss' fallacy (that top management can – somehow – push 'solutions' down the hierarchy) – all are described and analyzed in detail and accompanied by practical examples.

The authors, through discussing their last 'fallacy,' emphasize that complex (managerial) problems are not disposed of by introducing (or implementing) a solution. In fact, one could argue that so called problem solution is nothing else than new problem formulation. In that sense, the very idea of problem 'solving' is inadequate and pre-scientific, and should be replaced by the process of repeated and continuous problem reformulation as a way of ordering (or constructing) individual or social reality.

It is obvious that such logical fallacies, as quoted by Probst and Gomez, should be most actively avoided in computer-based modeling of decision support systems (DSS). It is at this point, point of support or aid, when logical fallacies of Cartesian thinking are most damaging. It is one thing to talk about or be aware of logical fallacies, it is quite another thing to take such fallacies, carve them in mathematical logic and embody them in computer models, once and for all, to further aggravate decision maker's situation.

How many DSS models are being constructed, simply encoding the old and tired habits, procedures and fetishes, without paying the slightest attention to the advances in cognitive sciences, behavioral psychology and management systems?

Too many.

Maruyama's 'Cultural Models of Borrowing'

International insolvency has now achieved very serious levels, especially in the Third World of developing countries. Countries of South America, Africa and Eastern Europe are being crushed by their international debt, achieving no other results than superinflation, and most of them continue calling either for 'additional US\$ billions' or for 'humane forgiveness.'

Professor Maruyama of Tokyo has taken a cultural look at some of the problems associated with debt. In some cultures, investment may be seen as unrelated to return and there may be commodities, services and labor that cannot be obtained with money or are unrelated to money. Such uncoupling of the real from monetary sector is especially pronounced in Eastern Europe where money lose their power as very little can be acquired for them. Even the Soviet Union is trying to pay some of its agricultural production in 'real' money: either foreign currency or direct investment goods. Number of goods can be obtained *only* for other goods.

Maruyama stresses that in such situations repayment default is a quite logical and natural consideration, causing little or no moral problem. Many countries, virtually bankrupt and in default on their obligations, do not find it unusual not only to *demand* forgiveness of debts but at the same time asking for additional 'billions and billions.'

Maruyama shows how in certain cultures *default could be a logical and even morally correct outcome*. Not too many Wall Street, World Bank or IMF bankers think in such terms or are competent enough to even comprehend such terms. Instead, they continually burden their tax constituencies with unjustifiable burdens and aggravate widespread international instability and uncertainty, not to mention the suffering and degradation of their artificially created 'debtors.'

Maruyama argues that giving a monetary loan, and thus the free choice of its use, is incorrect for some countries. He calls for *technology transfer*, *management transfer* and *productivity transfer* instead, a more neutral and more useful form of help. The 'repayment' for such loans comes in products and in countertrade cascade transfers.

Such 'debanking' of international loans is long

overdue and, as always, because it is so necessary, it will never come to its realization.

If there is only a jug of wine to be had in a country, then the infusion of an external million of free-use money will *not* lead to the production of another jug of wine; instead, the price of the same jug jumps to that one million, other things being equal. The only effect of external monetary loans, in particular countries and cultures, is that the little of products and services produced becomes continually more and more expensive. This insight is as simple as it is inevitable, it is available to all and free, with the exception of international bankers who stopped thinking 'outside of money' a (very) long time ago.

Maruyama's translocation from 'loans' to 'aid' is not without its problems. Providing external goods can be as devastating as providing external money. Only knowledge, a form of capital still unmentioned, can provide benefit without harm. Teaching how to fish is and shall remain superior to just sending in the fish or sending in the money to buy the fish.

How simple. How rare.

Kim's 'Managing Technological Transfer'

Most developing countries have not built the necessary technology support networks that would allow them to absorb the high technologies imported from industrialized countries. This vast technological strategic unpreparedness stems from the simplistic view of technology as a simple hardware/software item, while in fact, technology *is* a complex social relationship (support network) tying people, institutions and their skills.

Professor Kim (USA) argues that countries that have abundant unskilled labor and little physical or human capital need *appropriate technologies* which are labor intensive on a small scale. He uses the example of Korea which industrialized through such small-scale technologies and could therefore play a role as a catalyst in international technology transfers.

Recommendation of Prof. Kim, i.e., using Korea as a catalyst, example and a role model, is more sensible than running the technology transfers through

the huge bureaucracies (like the United Nations) which are still in that crippling hardware/software mode of understanding technology. They still 'transfer' parallel computers to Ghana, trucks and jeeps to Ethiopia and nuclear power plants to India. Developing countries must emphasize small-scale and labor-intensive technologies, allowing their workers to gain control, learn to manage and acquire knowledge of an integrated enterprise.

Developing countries, including the technology-poor and declining economies of USSR and Eastern Europe, have little or no chance of keeping up with the increasing competitiveness of technologically sophisticated countries. Simple-minded 'industrialization' still dominates their thinking, in spite of the glaring failures. Korea appears to be one of the few economically refreshing examples of realizing what 'industrialization' should mean in the context of knowledge-oriented enterprises. Rather than importing mountains of concrete, steel and junk, one has to 'import' knowledge, skills and autonomous thinking.

Korea and other *newly* industrialized countries represent the right experience and role models for developing countries. Developing and newly 'modernizing' countries of Africa, Asia, South America and Eastern Europe have much more to learn and gain from the experiences of Japan, Korea, Hong Kong, Singapore or Taiwan, than from the transformations in the U.S.A. or Great Britain.

It is discouraging to see the USSR and China trying to adopt highly specialized and support-dependent (services, spare parts, institutions, skills) and vulnerable technologies, absentee stock-owning organizational patterns and overspecialized, hierarchical GM-type management systems – precisely at the time when even the West is moving towards multifunctional, small-scale and flexible technologies, employee ownership and integrated self-management of autonomous employee teams.

Professor Kim has drawn our attention to the case of Korea, concluding that, indeed, this is an example that works and shows the way towards escaping the crippling patterns of international technology transfer.

Mallory and Michalowski's 'Graphical Support of Decision Making'

Decision support systems are increasingly characterized by multiple decision criteria, holistic or Gestalt graphical representations and interfaces, preferences-learning process and the search for 'harmony' of formulation, rather than for a 'solution' to a given 'problem.'

Professors Mallory and Michalowski from Ottawa have prepared an engaging discussion of their own advances along these lines of thinking: decision maker's interaction, with the method used and options presented, in a holistic symbolic/graphical mode. Their efforts reflect a broader and more powerful trend in computer support: moving from numerical displays and calculations towards graphical representations, judgments and comparisons.

The authors use MCDM (Multiple Criteria Decision Making) as vehicle for their discussion. They very use the verb 'making,' rather than 'analysis' (like the so called decision 'analysis' of conventional OR/MS) in the MCDM designation, reflects their emphasis on process and participation, rather than on clinical prescription of uninvolved 'experts.'

So called 'spreadsheet-friendly' presentation of numbers is inadequate and can even be detrimental to effective decision-making support. True graphical modeling has to evolve its own original concepts, its own 'algebra', relations and standards. It is less than adequate, and certainly unscientific, to refer to simple transcriptions of numerical data into their graphical equivalents as 'computer graphics.' Computer graphics should work with holistic images which may – or may not – be translated into numerical form – if desired or useful. Not the other way around.

Mallory and Michalowski have presented some arguments for moving (especially the field of MCDM) towards these new directions. They have become convinced that handling of holistically graphical symbols or icons is more important than traditional numerical accuracy. Humans do not reason, represent or create in numbers, but interact, with themselves and others, in metaphoric graphical images. If we could short cut the distance between holistic mode of the brain and the numer-

ically-scattered 'brain' of a computer – we would have progressed towards man-machine interaction.

Also, the preferences of decision makers are not simply given a priori and cannot be conveniently 'captured' or elicited by some form of utility function or other artifact. Preferences evolve, again and again, during *and through* the process of problem formulation and its subsequent reformulations. As the decision maker defines his problem, he also – and at the same time – forms his preferences. Separation of preferences formation from the context of problem formulation is unscientific and even harmful.

Ultimately, decision making is not 'problem solving' (presupposing 'given' problems), but continuous ordering (or making sense) of decision maker's reality: *decision making is a process of formulating and reformulating the linguistic/graphical constructs that allow decision 'maker' an improved and more reliable coordination of action.*

This precept underlies Mallory-Michalowski efforts.

Pliskin, Ball and Curley's 'Electronic Mail Proliferation'

In the era of global communication, when facsimile machines are affecting not only business but also political (viz China) and cultural (viz USSR) information sharing around the globe, when academics all around the world communicate via E-mail, Bitnet, Arpanet and MCI mail, when traditional methods, like governmental post office, are rapidly shifting towards 'junk' mail, in the era of on-line exchange of messages over personal computer networks – it is proper to assess its future prospects and impediments.

There are still low-technology 'pockets' (countries, cities and institutions) in the high-technology sea of electronic mail. Uneven coverage and uneven connectivity is a natural characteristic of a transitional period. The critical mass has been reached however and within a few years there will be a qualitative jump, completing the transformation (very similar to the telephone proliferation dynamics, although much faster and much more vigorous this time).

Professors Pliskin, Ball and Curley have now presented a mid-way assessment of E-mail to HSM. The authors however exclude facsimile and voice mail from their definition of E-mail. This is quite unfortunate, because facsimile, precisely because it allows person-to-person communication, with a total and final exclusion of the (expensive and 'nosy') 'intermediary,' is the most potent and the most effective form of E-mail available today.

It is very important to separate autonomous, person-to-person types of communication, from the more traditional mediated, third-person (or agency) dependent types of communication. While the former is self-service and do-it-yourself type and is therefore bound to skyrocket, the latter is still of a service type and is bound to grow either slowly or peter out. Mixing up the two fundamentally different modes of E-mail could lead to ambiguity, confusion or even surprise.

The authors conclude that their study was static

and therefore limited in its capacity to address the dynamics of diffusion. As such, the study serves as a point of departure for the more dynamics-oriented HSM researchers in order to assess the true revolution in global communication our world is currently experiencing.

It is becoming clear that people in business, academia and politics value person-to-person communication and will resist or deemphasize any efforts for the third-party control and service mediation. Information systems professionals and bureaucrats, traditionally used to and still vitally interested in centralizing and controlling both information processing and computer-based communication, could be vanishing and atypical groups in the era of an end-user. End-users, customers, consumers and information users (not information professionals) are asserting themselves all over the world and the proliferation of technologies is responding appropriately.