

# Managerial Perspectives on Globalization

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## Abstract

*Previous investigations in the UK and Malaysia revealed that, managers' attitudes to the role of government tend towards seeking freedom to make decisions affecting their organizations. The studies also indicated that managerial attitudes to the role of government vary across organizational hierarchy as well as across the sectors of the economy. The results of this study are in line with the previous findings. Our investigation of the sample of the American managers indicates that, on the whole, the managers are in favour of government role that allows the operation of the philosophy of market economy and free enterprise at the domestic level only. In line with previous studies, the American managers are enthusiastic with the idea of free global trade. One of the aims of the paper is to attempt to establish a link between macro level of analysis and micro level of organizational analysis. The paper achieved this using theoretical arguments as well as empirical evidence. The paper provided theoretical evidence to suggest that the role of government in the economy is influenced by ideological and cultural background of those in power, although pragmatic factors play a significant role as well. The implications of the findings are discussed within the context of globalization and managerial control in decision making.*

**Keywords:** Globalisation; Managerial Attitudes; Role of Government

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## Mangerial Perspectives on Globalization

In this era of globalization, the role and sometimes the existence of traditional institutions have been questioned and sometime challenged. One of the institutions that have come under increasing attack by the advocates of globalization is government and its traditional role. To some, governments are hindrance rather than enablers of economic and social development because of their interference in the economic activities. The merits and demerits of government intervention have been extensively analysed and commented on by researchers in international business and political economy (see, Aberbach et al. 1994; Gao, 1997; Gerritsen, 1994; Henderson and Appelbaum, 1992; Johnson, 1987; Krugman, 1984; 1987; Wade, 1990a; 1990b). Also the impact of government intervention on multinational enterprises' (MNE) ability to operate effectively in a foreign market has been widely acknowledged (see Brewer, 1993). For example, Brewer (1993) identified government intervention in international trade and monetary policies as barriers that can affect international business. Globerman and Shapiro (1999) found that Canadian free trade policy had significant impact on inward and outward foreign direct investment (FDI). Holt (1998) categorized types of government intervention into direct attempts to encourage or to exert control over companies; and indirect measures such as the tightening of export control or influencing business decisions through pressure by government agencies. The issue of globalization and government intervention has direct impact on the role of managers and their ability to exercise control over decisions that affect their organizations.

In spite of the significance of this topic as highlighted above, surprisingly few attempts have been made by researchers in the management discipline to explore managerial attitudes to the role of government. Most significantly, few attempts have been made to explore managerial attitudes to the role of government and their implications for business organizations. Given the speculations about the *end of government* as we know it, it seems reasonable to expect a significant body of literature on managerial attitudes and strategies vis-à-vis the

role of government in the economy. This will help to explain and perhaps even predict their future behaviour towards government policy and globalization. Also, knowledge of managerial attitudes to the role of government across countries can help to explain variations in managerial strategies across countries. The purpose of this paper is to fill this gap in the literature by examining a sample of American managers' attitudes to the role of government. The study is intended to answer the following questions: What are the American managers' views on what government should or should not do? How are their views compared to other managers in previous research? To what extent are their attitudes in line with free market and globalization? These questions not only address the potential influence managers would exercise on government policies but also will reveal the degree of control desired by them. The answers should also shed light on any variation on managerial attitudes to the role of government across countries. As Poole et al. (2001) pointed out; the key to understanding managerial attitudes is the notion of control. The role exercised by government will determine the degree of control left to managers in making decisions.

The paper is divided into three sections. Section one reviews literature on why governments intervene in the economy. Section two provides a brief literature on empirical investigation on managerial attitudes to the role of government. The final section presents empirical evidence of the investigation.

## **1. Why Governments intervene in the Economy**

### **Ideological Explanation**

According to Hughes (1994), the extent of government involvement is one of the most fundamental of ideological divisions. At one end of the continuum are those who favour the absolute minimum of government involvement in economic affairs. At the other end, are those who favour total government involvement in the economy (Downs, 1957). Economic ideology helps to guide the government's degree of involvement. In other words ideology influences economic goals and the means of achieving them. Thus, in an ideal capitalist system, government is expected to play a limited role in the economy. For example, industry policy is characterised by "no policy" (Poole et al. 1982). "The system believes in free enterprise, a market-based economy, and the private ownership of the factors of production. The government provides necessary services that are not provided by the enterprise" (Punnett and Ricks, 1996: 195). It can be argued that capitalist ideology is suitable for individualistic culture where the notion of "social Darwinism" prevails. In particular, it is suitable in a society where individual freedom and right is emphasised over societal, individual and government obligations.

Based on the degree of government intervention, capitalism has been subdivided into laissez-faire and state or nationalistic capitalism (Wu, 1994). The former relates to private ownership of property without state control, while the latter refers to private ownership with state control. Laissez faire "assumes that there should be a sharp separation between government and the economy and that government should be restricted to the maintenance of external security and domestic tranquillity and to the enforcement of contracts" (Mark, 1973: 28). Nationalistic capitalism can best be described using the concept of corporatism, although they are not conceptually the same. According to Winkler (1977), corporatism is an economic system in which the state directs and controls privately owned businesses for the sake of unity, order, nationalism and success.

Socialist and corporatist ideologies focus on government control of business activities. Issues such as wage, investment, ownership and, employment are not always left to market forces. Social Darwinism is not a strong feature of this system. For example, Wade (1990a) argues that while Asians are committed to capitalism, they deem it necessary to include some element of intervention by technocrats who oversee a close relationship between government and corporate interest. This highlights the issue of how culture influences the operation of market economy. For example, Abeglen (1970: 71) argues that: “The Japanese government corresponds to corporate headquarters responsible for planning and coordination, formation of long-term policies and major investment decisions. The large corporations of Japan are akin to corporate divisions, with a good deal of operating autonomy within the overall policy framework laid down by corporate headquarters, free to compete with each other within broad limits, and charged with direct operating responsibility”. A report by the Australian National Center for Korean Studies (1994) revealed that central government in Korea intervened in a wide range of business activities including credit, finance, labour, union activities, foreign loan applications, business associations and management. The government also has the power to appoint personnel to control important public and private organizations including financial institutions. During the early stages on Korean economic development, Chaebols have received special treatment such as cheap loans and tax incentives. This was in return for being responsive to government policies and priorities and being responsible in employment, wages and setting prices. Clearly, while ideology plays a significant part in determining government involvement in the economy, individual predisposition as represented by cultural backgrounds of those in power also plays an important part. This is the subject of discussion in the following section.

## Cultural Explanation

Like ideology, culture also provides a useful framework for explaining the degree of government involvement in the economy. Culture influences not only the form and degree of government intervention, but the reaction of those who are supposed to operate within the framework of such intervention. In other words, culture can help to shape the opinions and behaviours of workers, managers and entrepreneurs, whenever governments intervene in economic and industrial management. For example, the degree of acceptance of inequality of power in a society (power distance) would determine whether captains of industries actively and openly oppose government intervention in economic and industrial management. Another dimension of culture that can help to explain the degree, form and timing of government intervention are collectivism-individualism (Hofstede, 1980; 1991).

The extent to which the culture encourages group as opposed to individual concerns (collectivism-individualism), has been used as a framework to understand, explain, and sometimes predict the behaviours of members of a society. In a collectivistic setting, societal rights, ownership and control take precedence over individual rights, ownership and control. It can be argued that emphasis on individual over societal rights in individualistic cultures is partly responsible for laissez-faire capitalism (George and Vogel 1987; Thurow, 1992). And industrialists are not likely to tolerate government giving preferential treatment to their rivals in the name of national interest.

In a collectivist society however, citizens would expect government intervention, welcome it, and might encourage it. This is because government plays and is expected to play a significant role in the life of individuals, businesses and the society at large. And people help or expect others to be helped when in need. In other words, contrary to Social Darwinism, in a collectivistic setting, survival is not dependent on the level of one's "fitness" but on societal support. This is because the individual is supposed to sacrifice his/her individual freedom in return for social support whenever needed. Thus, businesses would be

expected to sacrifice for the society, in return for favourable government intervention. In fact, in the recent past, big corporations in Japan and South Korea were said to see themselves as competing against the rest of the world. And historically, Japanese businesses have broad, sometimes “nationalistic” objectives, which tend to reinforce the close business-government relationship.

Commenting on the impact of culture on government-business relations, Lingle (1996: 390) argues: “There are few differences between the institutionalised arrangements and the consequences associated with the ‘Confucian corporatism’ and the forms of corporatism practised elsewhere except in the overlay of Confucian traditions upon institutional structures of the economy and the polity. For example, key elements of Confucianism like ‘filial piety’ ‘saving face’ and society above self help reinforce the hierarchical political structures and the hegemony of the corporatist arrangements”.

According to Macmillan, (1996), Japanese devotion to economic affairs relates to the desire to catch up with the west. As a collectivist society, it makes it easier for government and business to collaborate in the pursuit of this objective. Indeed Haitani (1976) argued that the state bureaucrats exercise authority not in the name of the people, but in the name of house of Japan. To the Japanese way of thinking, then, the state does not ‘interfere’ with the affairs of private business. It merely manages itself, exercising authority and control of its consistencies. The productive activities of private businesses are very much a part of the business of the whole nation state. Australian National Korean Studies Centre (1994), reported the following as the role Korean government plays in the economy: “Identification of long-term priorities and key industries that need to be encouraged for the development agenda. Ensure that wage increases are maintained significantly lower than the rate of productivity. Encourage the emergence of a small number of very large conglomerates. Devote all available resources to achieve industrialization. Participate in the process of planning and operation of major investment projects. Seek foreign capital to complement local investment” (pp. 21).

## Pragmatic Explanation

Culture and ideology provides only a partial explanation to why governments intervene in economic activity. Arguably, the dominant factors influencing government intervention in this era of globalization are strategic, political and external forces. Indeed Brewer (1993: 105) argues that, due to strategic reasons ``host governments sometimes are more prone to subsidise inbound Foreign Directive Investment (FDI) projects that export much of their output and more prone to restrict FDI projects that import much of their inputs``. Similar arguments have been advanced by others (Guisinger, 1985; Kojima, 1985). For strategic reasons governments might intervene in certain industries or companies (Baldwin and Krugman, 1988; Givens, 1982; Krugman, 1992; Wade, 1990a; 1990b). The aim of targeting specific industries is to achieve what market forces would not. Although most governments have used this strategy (Cochran, 1992; Macmillan, 1996), recently the East Asia Economies have drawn attention of observers to this development strategy.

It is always tempting to view government intervention exclusively from ideological or cultural perspectives. However, close observation would reveal that governments get involve in economic and industrial management because of other reasons. For example, many governments, especially those in the developing countries, are forced into adopting interventionist policies by other governments or by Multinational Corporations. A bilateral agreement between countries can shut out rival MNEs in that country. Similarly, MNEs operating in developing countries sometimes succeed in influencing the host governments to protect their interests against external or/and internal forces. Of late, one of the most significant determinants of the degree of government involvement in economic management is International Monetary (IMF). Other external forces include the International Labour Organisation (ILO), the United Nations (UN) and other pressure groups and donor agencies. Such foreign institutions help to shape government policies regarding economic and industrial management.

For example, in return for \$60 billion, the IMF asked South Korea to slow the out-of-control expansion of the conglomerates, improve banking regulations, and raise interest rates and taxes. (The Globe and Mail; Friday, December 1997:A30). Similar demand has been made on Thailand and Indonesia in return for IMF loan. Internal pressure from industrialists, investors, and big business is sometimes brought to bear on government policies leading to a certain degree of intervention. Similarly, voters and Trade Unions in particular, in the name of protecting jobs and national interest sometimes influence even the most capitalistic governments to intervene in industrial and economic activities.

## **2. The significance of Managerial Attitudes to the Role of Government**

Appreciation of how government policies come about and how they are implemented is critical to the understanding of the significance of managerial attitudes to government intervention in the economy and their implications. To put it bluntly, governments do not make decisions but people do. The ideological, cultural and pragmatic explanations of government intervention described above are nothing other than a reflection of decisions made by individuals occupying position of responsibility. Most governments are subject to pressure from the elite of the society. Economic and trade policies, especially in democratic society, are in many cases, influenced by entrepreneurs and industrialists. Senior managers and chief executives in both the public and private sectors bring their influence to bear on government policies. They do this in their capacity as agents of the capitalists or interest groups. In fact, in some countries such as Japan and Singapore, public sector bureaucrats and technocrats are known to play a significant role in government economic policies. For example, officials of Japan's Ministry for International Trade and Investment (MITI) have been credited with single handedly guiding Japan's economic and trade policies (Johnson, 1987). Similarly, the technocrats of Singapore's Economic Development Board (EDB) and the Institute for Policy

(IPS) Studies have been credited with shaping Singapore's economic policies. In fact, IPS was once charged with the responsibility of identifying Singapore's official national values, which were later integrated into the educational curriculum (Haley & Low, 1998). Therefore, MNEs should take a keen interest in managerial attitudes to government intervention because they can help shape government policy and by so doing determine MNEs ability to enter and operate successfully in the country.

Managers' attitudes to government intervention in the economy might be influenced by their nationalistic and patriotic orientation. Druckman (1994) argued that nationalists are more competitive, aggressive and prejudiced towards other countries. And patriots are more likely to subordinate their own interests to the collective interest of their country (Druckman, 1994; Feshbach, 1990). Han (1988) also argued that patriots are more likely to see their duty as protecting the economy and supporting domestic firms. Although Hill (1997) implied that there might be more economic patriots and nationalists in collectivist cultures, we believe that economic patriots and nationalists are found in all walks of life and in all cultures. However, their impact will be more significant if they occupy a position where they can initiate, draft, or influence government economic policies. As pointed out earlier, senior managers in both private and public sector occupy such positions. Therefore their views on what government should or should not do in the economy matter. Hill (1997) argued that systems of political economy such as socialism, corporatism and free-market are partly a reflection of collectivism or individualism of the society. He argued that individualist societies are more likely to pursue free-market ideology than collectivist societies who would see a corporatist system as more appropriate in running an economy. Perhaps that explains the relative higher level of government intervention in Asian countries such as Taiwan, Japan, and South Korea. Therefore, to the extent that managers' desire control and can influence government policies directly or indirectly, their attitude to the role of government in the economy is critical to explaining their current and future strate-

gies vis-à-vis globalization.

### **3. Empirical evidence so far**

#### **Kanter's Study**

A number of researchers have endeavoured to investigate managerial attitude to their jobs and issues in the organisational environment. However, fewer studies have investigated managerial economic ideology and attitudes to the role of government. Kanter (1991) attempted to fill this gap in the literature. In a survey of 12,000 managers across the globe, Kanter (1991) explored managers' views on the role of government and government-business relations. She found that the majority of her respondents want business to have freedom to make decisions in their own interest, without having to take "patriotic" considerations into accounts. However, she found national differences in managerial attitudes as well. Kanter (1991: 153) concluded that "Economics has not yet triumphed over politics. While most survey respondents present themselves as internationalists, free trade advocates who reject government favouritism or assistance for domestic companies \_\_ country difference and contradictions in response patterns suggest continuing local political battles over rights and responsibilities of business". We believe, Kanter's findings are partly a reflection of the influence of ideology and culture on managerial attitudes to the roles of government in the economy. This is because managers' attitudes and behaviour cannot be divorced from the general attitudes and behaviour of the wider society which they belong.

#### **Poole et al's: Studies**

In a longitudinal study of British managers during and after Thatcher years, Poole et al. (1981; 1994; 1995; 2001) found that managerial attitudes to the role government tended to be pragmatic. Consistently, British managers tended to favour customised government intervention. For example, there were some support for the control of foreign enterprises and state assuming responsibility for setting up strategic stocks of essential raw materials. However, Poole et al. (1982) found that managers were generally against the statutory con-

trol of prices, wages, and salaries. And a minority wished to see extensive import controls and the subsidising of exports. There was also marked opposition to increasing the industrial powers of ministers and to the principle of state monopolies. In the 1990 survey, Poole and colleagues found similar results especially regarding managers' support for government intervention in industrial relations (Pool et al. 1994). Another revelation from Poole's et.al. studies are that attitudes to government intervention differ between private and public sector managers. In their latest survey of British managers, Poole, Mansfield and Mendes (2001) reported that managers still welcome state intervention on industrial relations issues. They also reported that managers are in favour of government stocking up on essential raw materials. The 2001 survey also revealed that, generally, the British managers are in support of enterprise culture (i.e. Encouraging enterprise; Reducing regulatory powers over industry; encouraging share ownership; reducing monopolies and encouraging competition; legislating against leverage buyout). In their conclusion, Poole et al. (2001: 62) reported

“Our findings on managers' views on the role of government in the economy and in industry reveal a relatively consistent pattern over the years. Britain's managers do favour governmental intervention over selected industrial relations issues that are to their benefit. But in general they are opposed to state involvement in most other areas. Moreover, if anything in the 1990s, the support for the enterprise culture appears to have become even more pronounced. Against the backdrop of globalization and increasingly open markets this may not be surprising”.

Poole et al.'s Longitudinal studies have created an opportunity to test the proposition that a managerial attitude is pragmatic and consistent.

### **Mamman's Studies**

Following Poole et al.'s studies, Mamman (2002 a&b; 2004) conducted a series of studies investigating managerial attitudes to the role of government as a part of a broad study of managers' attitudes in

Australia and Malaysia. For the most part, Mamman's (2002 a&b) investigation of Malaysian managers revealed that the sample of Managers favour government intervention in the economy. However, the respondents appear to be in support of customised intervention. This is because there are a few policy areas that they do not like government to control (e.g. prices and wages). Although some Asian countries have been accused of protectionist policies in the past, most of the respondents support competition both within the country and from imports. The policy areas that received the greatest support by the Malaysian managers were legislation against leverage buyout; encouragement of entrepreneurship, encouragement of competition, co-ordination of industry and control of strikes. For the most part, the respondents offer the least support to price control, control of foreign companies, and control of imports (Mamman, 2004). The Malaysian study also revealed that the managers' attitudes to what government should and should not do in the economy were influenced by their ethnic backgrounds (Mamman, 2002b). The Chinese and Indian respondents were less likely to support government policy which appears to favour Malay ethnic group to the detriment of their own ethnic group. However, no significant differences were found across the organizational hierarchy (Mamman, 2004). Mamman,s (2002a) investigation of a sample of Australian managers revealed that the managers tend to support Establishment of tribunals to control strikes, Control of foreign companies, encouragement of entrepreneurship, and Encouragement of competition. Slightly less than half of the respondents support import control. The policies that received the least support were Control of prices, Restructuring of industries, Establishment of state monopoly, and Control of wages.

Mamman (2002a) compared the findings of the Australian survey with Poole's study of British managers. He reported that on the surface, Australian and British managers seem remarkably similar in their attitudes to government intervention. With the exception of attitude to subsidising exports and restructuring industry, Australian and British managers support and oppose the same policies. However, the degree

of support and opposition vary amongst the two groups. Among the five items with the greatest variation between the two sets of data, British managers were more likely than their Australian counterparts to endorse restructuring of Industry, legislation about strikes, and encouragement of competition. Australian managers on the other hand were more likely than their British counterparts to endorse subsidising exports and control of foreign companies. However, both Australian and British managers were more likely to support than oppose control of foreign companies, encouragement of competition, control of imports, tribunal to control strikes, and legislation against strike. In filling the gap in the literature and developing a body of knowledge in the field, investigation of managerial attitudes to the role of government in the *home* of capitalism would seem appropriate. Although this study is an exploratory one and part of a broader study of managerial attitudes, it nonetheless provides an opportunity to examine the degree of similarities and differences between American managers and other managers (Australia, British, and Malaysia) regarding their attitudes to the role of government. *This is not a comparative study in the strictest sense, but we expect, as a general working hypothesis, American managers would be more likely to demonstrate strong attitudes in favour of market philosophy and free enterprise culture than managers in the previous findings.*

## **Methodology**

### **Sample**

This paper is part of a wider survey of managerial attitudes. The study is based on a sample of members of the Miami Valley Human Resource Association, Ohio, USA. 480 questionnaires were administered and 110 were returned (all were usable). This is a response rate of 22.9%. The background of the sample is depicted in Table 1 below.

**Table 1. Background Statistics**

<b>Background</b>	<b>Percentage</b>
<i>Position</i>	
Board Members	1.8
Senior Managers	33.6
Middle Managers	39.1
Supervisors	12.7
Professionals	12.8
<i>Function Area</i>	
General/Strategic Management	15.5
Production	5.5
Sales & Marketing	3.6
Finance & Accounting	2.7
R&D	0.9
Human Resource Management	71.8
<i>Sector</i>	
Private	51.8
Public	30.9
Other	17.3

## Instrument

The questionnaire was adapted from Poole et al. (1993; 1994) national survey of British managers. It was developed from Winkler's (1977) operationalisation of how the objectives of corporatism can be implemented through specific policies. The objective and policies are: Unity (Price control; Industrial reorganisation; state organised cartels); Order (wage/salary control; prohibition of strike/lockouts; compulsory arbitration; inquisitorial tribunals); Nationalism (import substitution/control; export subsidisation; control on foreign enterprises; home purchasing preference; autarchic provisioning); Success (Investment direction; National planning; Enabling acts; Quasi-government organisation). The respondents were asked to respond to a set

of 13 questions designed to investigate their attitudes to government intervention in the policy areas. In a likert type 5 point scale, they were asked to indicate the extent to which they agreed or disagreed with 13 items representing unity, order, nationalism, and success as identified by Winkler (1977). The instrument has a reliability of Cronbach *alpha* 0.89.

## Results

### Managers' Attitude to the Role of Government in the Economy

One of the main objectives of the paper is to investigate managerial attitudes to the role of government in economic and industrial activity. The response of managers to the thirteen items in the construct is shown in Table 2 below.

**Table 2. Managerial Attitudes to Government Intervention**

Managerial attitude	Who Strongly disagree 1 %	Who disagree 2 %	Who are indifferent 3 %	Who agree 4 %	Who Strongly agree 5 %	Mean	S.D
1. Govt. should control Price	43.6	40.0	9.1	6.4	0.9	1.82	0.91
2. Govt. should restructure industry	44.5	41.8	10.0	2.7	0.9	1.77	1.03
3. Govt. should establish State monopoly	57.3	35.5	6.4	0.9	0.0	1.51	0.66
4. Govt. should control wages	50.0	38.2	5.5	5.5	0.9	1.69	0.88
5. Govt. should legislate about strike	17.3	24.5	17.3	38.2	2.7	2.85	1.19
6. Govt. should establish tribunals to control strikes	16.4	31.8	21.8	27.3	2.7	2.68	1.12
7. Govt. should control imports	7.3	31.8	16.4	32.7	11.8	3.10	1.19
8. Govt. should subsidize exports	12.7	36.4	31.8	15.5	3.6	2.61	1.01
9. Govt. should control foreign companies	7.3	22.7	21.8	32.7	15.5	3.26	1.19

Managerial attitude	Who Strongly disagree 1 %	Who disagree 2 %	Who are indifferent 3 %	Who agree 4 %	Who Strongly agree 5 %	Mean	S.D
10. Govt. should control out-flow of investment	6.4	29.1	29.1	30.0	5.5	2.99	1.04
11. Govt. should encourage entrepreneurship	0.9	3.6	9.1	41.8	44.5	4.25	0.84
12. Govt. should encourage share ownership	2.7	10.0	22.7	34.5	30.0	3.79	1.07
13. Govt. should encourage competition	0.0	12.7	18.2	48.2	20.9	3.77	0.93

As can be seen in Table 2 above, the respondents appear to support government intervention in only three areas (encouragement of entrepreneurship,  $X = 4.25$ ; encouragement of share ownership  $X = 3.79$ ; encouragement of competition,  $X = 3.77$ ). This result does not replicate earlier studies of British managers (Poole et al. 1982; 1994; 1995). In the 1980 survey Poole et al (1982) found that British support control of foreign enterprises; state assuming responsibility for setting up strategic stocks of essential raw materials. In the 1990 survey, Poole and colleagues found similar results especially regarding managers' support for government intervention in industrial relations (Pool et al. 1994). Their results showed that British managers endorse legislation on strike and tribunal to control strike. Turning to the present study, it appears that because industrial strike is not a significant problem in the US, the respondents do not see the necessity for legislation or tribunal to control strike. Compared to the Australian study, Mamman (2002a) found that the managers want their government to intervene in the following areas: Stimulation of exports; setting up of tribunal to control strikes; control foreign companies; control outflow of investment; encourage share ownership; and encourage competition. This clearly suggests that compared to British and Australians, American managers appear to prefer a more hands-off approach to the role of government. However, a more detailed analysis of the data in the following section reveals something slightly different from the conclusion drawn in this section.

## Similarities and Differences across Countries

Table 3 below presents results of managerial attitudes to government intervention in the two countries (Britain and USA). In almost all the thirteen items, American sample consistently score lower in support of government intervention. To put it another way, with the exception of two policy areas (subsidising export and control of foreign companies) their opposition to government intervention is much stronger than the British sample. However, both American and British managers are more likely to support than oppose control of foreign companies, encouragement of competition, control of imports, tribunal to control strikes, and legislation against strike.

**Table 3. Managerial Attitudes to Government Intervention in USA and Britain**

Managerial attitude to Govt. Intervention		Who Don't Support %	Who are Indifferent %	Who Support %
1. Govt. should control Price	This Study Poole's Study (1994)	83.6 76.8 (71)	9.1 8.4	7.3 14.8 (17)
2. Govt. should restructure industry	This Study Poole's Study (1994)	86.3 37.8 (63)	10.0 16.3	3.7 45.9 (23)
3. Govt. should establish State monopoly	This Study Poole's Study (1994)	92.7 85.5 (83)	6.4 5.3	0.9 9.2 (6)
4. Govt. should control wages	This Study Poole's Study (1994)	88.2 79.6 (77)	5.5 7.6	0.9 12.8 (14)
5. Govt. should legislate about strike	This Study Poole's Study (1994)	41.8 13.6 (27)	17.3 7.5	40.9 78.9 (14)
6. Govt. should establish tribunals to control strikes	This Study Poole's Study (1994)	48.2 18.4 (20)	21.8 20.6	30.0 61.0 (56)
7. Govt. should control imports	This Study Poole's Study (1994)	39.1 38.3 (48)	16.4 14.7	45.5 47.0 (38)
8. Govt. should subsidise exports	This Study Poole's Study (1994)	49.1 50.5 (49)	31.9 19.0	19.1 30.5 (31)
9. Govt. should control foreign companies	This Study Poole's Study (1994)	30.0 36.6 (42)	21.8 17.6	49.2 45.9 (40)

Managerial attitude to Govt. Intervention		Who Don't Support %	Who are Indifferent %	Who Support %
10. Govt. should channel investment	This Study Poole's Study (1994)	35.5 32.1 (42)	29.1 27.4	35.4 40.8 (29)
11. Govt. should encourage entrepreneurship	This Study Poole's Study (1994)	4.5 2.1 (NA)	9.1 5.0	86.4 92.9 (NA)
12. Govt. should encourage competition	This Study Poole's Study (1994)	12.7 5.2 (NA)	18.2 10.7	69.1 84.4 (NA)
13 . Govt. should encourage share ownership	This Study Poole's Study (1994)	12.7 3.5 (NA)	22.7 15.7	64.6 80.8 (NA)

\* Figures in bracket ( ) represent Poole's et al. (2001) latest survey of British managers

\*\* NA means data not available because Poole's et al. (2001) did not include them in their latest investigation.

The general hypothesis of this paper suggests that because American managers are brought up and operate in an environment of free market and enterprise culture they will be more enthusiastic with free market oriented policies. It can also be argue that, given that various cultural dimension in the USA tend to be compatible with capitalism and competition, American managers would be less likely to tolerate government intervention. A comparison of the data from this study with the British survey data appears to support the general working hypothesis. This suggests that ideology and culture could play some role in influencing managerial attitudes to government intervention.

Within the context of globalization, what appears to be remarkable about this finding is that both British study and American sample of managers are inclined to oppose international trade and competition but support domestic trade and competition. This is because higher percentages of managers are in favour of control of foreign companies as well as control of imports. Similarly the study of Australian man-

agers by Mamman (2002a) revealed that 51.4% of the managers surveyed were in favour of control of imports, and 64.7% of the managers were in favour of control of foreign companies. All the three studies also indicate that managers are either in support of intervention in investment flows (Australian and British managers) or ambivalent (USA managers).

Ironically, the sample of Malaysian managers surveyed (Mamman, 2004), share similar attitude to the role of government in controlling imports and foreign companies. However, of the three samples of managers, Australian managers were more likely to oppose unfettered international competition.

Previous investigations have found that managerial attitudes to the role of government tend to vary across organizational hierarchy (Mamman, 2002a) and across sectors of the economy (Mamman, 2002a & b; Poole et al. 1994; 2001). For example Mamman (2002a) found a significant difference in attitudes across a sample of managers regarding control of prices ( $F = 4.09$ ;  $p > .001$ ). Middle level managers ( $X = 2.00$ ), junior managers ( $X = 2.43$ ) and supervisors ( $X = 2.40$ ) offer stronger support to price control than senior managers and Board members ( $X = 1.76$ ;  $X = 1.54$  respectively). Also Poole et al. (2001: 61) revealed that “In our previous surveys we did find that public sector managers were somewhat less opposed to government intervention (except on industrial relations issues) than their private sector colleges”. Reporting on the results on 2000 survey, Poole et al. (2001: 61) went on to say “thus differences between public and private sector remain, but are typically not very large”.

In this study, an analysis of variants across organizational hierarchy did not find any differences between senior managers and junior managers regarding their attitudes to the role of government. However the study found a significant difference ( $F=3.13$ ;  $p > .04$ ) between public sector managers ( $X = 1.74$ ) and the other categories of managers (private;  $X =1.39$ ; others  $X =1.47$ ) regarding establishment state monopoly. As to be expected, public sector managers are more likely to support the establishment of state monopoly than the other categories of managers.

## Conclusion and Discussion

The central aim of this paper is to fill the gap in the existing literature on the interface between Macro organizational environment and managerial attitudes. The paper achieved this using theoretical arguments as well as empirical evidence. The paper provided theoretical evidence to suggest that the role of government in the economy is influenced by ideological and cultural background of those in power, although pragmatic factors play a significant role as well. Central to our study of managerial attitudes to the role of government are: (1) the issue of managerial control vis-à-vis government intervention in the economy and, (2) the potential influence of managers as agents of owners of capital and/or implementers of government policy. Previous investigations have revealed that, managers' attitudes to the role of government tend towards seeking freedom to make decisions affecting their organizations. The studies also indicated that managerial attitudes to the role of government tend to vary across organizational hierarchy as well as across the sector the economy. There were also some evidences which indicated that managerial attitudes to the role of governments vary across countries. The results of our investigation are in line with the previous findings.

Our investigation of the sample of American managers also indicates that, on the whole, the managers are in favour of government intervention that opens the way for the operation of free market economy and free enterprise at the domestic level but not at the international level. Thus, in line with previous studies, the American managers are not very enthusiastic with the idea of free global trade. This is because, like their counterparts in Britain, Australia and Malaysia, more of the managers are in favour of government control of imports and foreign companies than they are on relying on market forces to determine the nature and direction of international trade.

There are at least three implications of this finding. Firstly given the opportunity, the managers will oppose any attempt by government to limit their freedom to make decisions affecting their enterprise. Secondly, they might lobby to influence government policy to ensure

that government role does not hinder their ability to make decision. Thirdly, at theoretical and empirical level, we need to know the tools and mechanisms managers would use to influence government policy, if at all. In other words, we need to know how managers react to government policies that hinder their ability to make decisions. (Do they just distaste it or do they take action? If so, what action?). Knowledge of these can help in developing appropriate strategies for government-business relationship.

Finally, investigation of this kind has theoretical and practical implications for the growing debate on globalization. As we have seen from the previous studies and this study, high proportion of managers are opposed to foreign companies and imports. Despite the early euphoria about the end of government as we know it, it appears that a large proportion of managers would like governments to play some of their tradition roles erecting barriers to protect local market.

The finding from this study has to be interpreted with caution due to the following reasons: Firstly, this is an exploratory study, and it is strictly not a comparative study in the statistical sense. Secondly, attitudes of managers changes over time, especially regarding certain issues such as imports. Thirdly, attitudes to the role of government might be a reflection of the industry which the managers represent. Therefore, more research is needed to explore the views of managers in other industries. Nevertheless, this study has revealed important issues regarding managerial attitudes which can be a subject of further investigation. For example, a new research instrument can be developed to measure managerial attitudes to globalization and the potential consequences of such attitudes. Also, a specific industry can be targeted in a comparative study to ensure that industry bias is eliminated. Finally, specific categories of managers (e.g. CEOs) can form a sample frame for future study. This will help predict more accurately the potential influence of managerial attitudes on government intervention in the economy.

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