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Management across borders – A multidisciplinary approach towards globalisation and diffusion processes in Central and Eastern Europe

Alexandre Iellatchitch, Wolfgang Mayrhofer

“Management across borders” relates to many interconnected issues. At the supra-national level it addresses the international distribution of labour, the competition between various countries, associations of countries or continents (e.g., Porter 1990). At the country level, issues like the importance of the nation state for the political and economic processes, the degree of openness of a country for the inflow and the outflow of goods, services, capital and persons or the emergence of economic actors cutting across national boundaries – in particular multinational companies (MNCs) – can be mentioned (e.g., Ohmae 1995; Doz 1986). At the organisational level, specific problems of managing in an international environment in all the classical areas of management – finances, marketing, procurement, or personnel – or the cultural implications of an organisation spanning across cultural borders can be referred to (e.g., Bartlett/Goshal 1991). At the individual level, it includes issues like international careers, the question of expatriates or the consequences of living and working in an environment where the standard language is not one’s own mother tongue (e.g., Linehan/Mayrhofer, in print; Black, Gregersen,/Mendenhall 1992). Within this broad spectrum, two broader themes emerge: globalisation and diffusion.

Globalisation is referred to from numerous angles. A vast body of literature is available conceptualising globalisation as driver as well as result. From different disciplinary perspectives, a great variety of aspects at different levels have been addressed (see, e.g., Robertson 1992; Michie 2003; Tsoukis, Agiomirgianakis/Biswas 2004). Especially during the past two decades, the complexity of globalisation has been emphasised. Globalisation also includes contradictory or oppositional forces, e.g. ‘pulling away’ influence from local communities into the global arena, but also creating new pressures for local autonomy or dynamiting the revival of local cultural identities (Giddens 1999). Diffusion, too, is a major topic. It refers to the dissemination of tangible or intangible units within a certain frame of reference, e.g., an organisation, the economic system, countries etc. Diffusion can relate to very different phenomena like the diffusion of innovation (e.g., Rogers 1983), of products through marketing (e.g., Schuh 2000), of knowledge through expatriation (e.g.,

Mayrhofer/Scullion 2002) or of linguistic concepts in established local languages (e.g., Hoffmann 2000).

Within the discussion about globalisation and diffusion, the question of converging or diverging developments at various levels of analysis and in a great variety of topics like, e.g., productivity (Baumol 1994), work and employment (Cressey/Jones 1995), financial and monetary aspects (Dickinson 2001), industrial societies (Inkeles 1998), social trends (Langlois 1994), economic policy (Unger 1995), organisational forms (Whitley/Kristensen 1996) or human resource management practices (Brewster, Mayrhofer/Morley 2004 [in print]), has received special attention.

To be sure, the idea of convergence is not new. For example, in the middle of the 19th century Gobineau's racist writings express a fear of a progressive replacement of the 'colourful' human racial diversity by uniformity (Gobineau 1999/1854). In the 1960s, sociologists defining modernisation as the process which took place in Europe and North America during the 18th and 19th centuries and then spread alike in the other countries, were theorising about convergence (e.g., Eisenstadt 1963). More recently, the cyber-culture seems to replace industrialisation as main driver for the supporters of convergence (Best/Kellner 1997, Castells 1996).

There is a specific European angle to the debate about globalisation, diffusion and convergence. It has at least three facets. First, the development within the European Union from its roots in the European Coal and Steel Community (ECSC) founded in 1951 by Belgium, West Germany, France, Italy, Luxembourg and the Netherlands via the European Economic Community (EEC) established by the same six founding members through the Treaty of Rome of 1957 and its four enlargements in 1973, 1981, 1986 and 1995 to the 25 members the European Union (EU) will consist of after the latest enlargement on 1 May 2004 is reflecting the issues of globalisation, diffusion and convergence on a small scale. Second, the specific European angle has also to take into account the global struggle about competitiveness between countries, regions and associations world-wide. The competition between Europe, the US and Japan as major pillars of the triad or the trade struggles between Europe and the US are examples for that. Thus, diffusion and convergence processes in Europe also have a global dimension. Third, the specific history of Europe where there was an ideological, political and economical division between Western European countries and countries belonging to the interest sphere of the USSR, most of them belonging to the COMECON, leads to a special situation when dealing with aspects of diffusion and convergence, e.g., the historically different background for the 'same' demands of market economy are interpreted differently because of the specific historical background.

Within a European angle, Central and Eastern European (CEE) countries themselves currently face a special situation. On the one hand, these countries

have to deal with various consequences of joining or trying to join the EU. On the other hand, they seek to maintain their unique cultural, political and economical profile vis-à-vis the EU and its member states. In any case, they have to cope with a constant influx of new regulations, products, concepts, tools, people and thinking patterns.

Insight into the individual and organisation level effects of such influx requires an understanding of at least three major issues:

- the general picture of globalisation and diffusion and the related consequences for various actors at the individual and collective level,
- the dynamics of change processes at the organisational level leading to divergence or convergence
- the significance of core market economy concepts in CEE countries for individual and organisational behaviour.

These issues are the starting point of this special issue. It focuses on a prominent part of globalisation: the field of management. For a number of reasons, this field seems to be particularly sensitive to the issue of diffusion and convergence. Hickson and Pugh claim that “particular management innovations will be inaugurated in cultures in which they are most likely to flourish. But if they are successful, they will be adopted worldwide in some degree, even in less receptive cultures” (Hickson/Pugh 1995: 284). In other words, since management deals with rationality, rational actors supposedly will sooner or later act rationally, i.e. adopt the tools which have already proven their efficiency. As a matter of fact, new management ideas, which have been coined as fashions by critics (e.g. Abrahamson/Fairchild 1999; Jackson 2001), claim almost universal applicability. Moreover, business schools, the consulting industry, professional associations and last but not least managers trained in business administration share and diffuse an increasingly common knowledge as well as a common language, the concepts of management, forming the modern lingua franca (Sahlin-Andersson/Engwall 2002).

Referring to the field of management, the three major issues outlined above are addressed from a multidisciplinary perspective, the latter being essential for an adequate analysis of the former. We have invited authors from three disciplines – management, sociology, linguistics – to deal with important facets.

Overall, the papers tend to show that the international diffusion of management tools as well as managerial ideology seem to exist. However, cultures taken as receptors are not neutral. Therefore, one might be tempted to supplement the concept of diffusion in lieu of translation (Latour 1988) or even creolisation of management knowledge. Clearly, this finding is a first step rather than a final one – more and increasingly integrative work is, as so often, needed.

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