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EVALUATION OF & PRESCRIPTIONS FOR HOTEL WEBSITES IN A TOURISM-DEPENDENT ECONOMY: THE CASE OF NEPAL

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ABSTRACT

Because tourism is a substantial part of Nepal's economy, and because more and more tourists are using the internet to arrange hotels, the quality of websites for Nepalese hotels is a very important issue for the country. The authors present the results of their evaluation of hotel websites in Nepal, using a conceptual framework developed by Morrison et al. (2000). Each Nepalese hotel website is evaluated on the set of Marketing Critical Success Factors (MCSF), Technical Critical Success Factors (TCSF), and Customer Critical Success Factors (CCSF). Results of these evaluations indicate that hotel websites in Nepal are not well-developed. Many suggestions for strengthening the websites of hotels in Nepal are provided.

POLITICAL RISK AND ECONOMIC GROWTH FOR LATIN AMERICA

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ABSTRACT

Latin American countries have a great potential for economic growth. Yet, many of these countries have not been able to achieve or sustain economic growth as a result of political problems. Many countries in the region are still afflicted with governments of disputed legitimacy and resultant disorderliness. The political structures in the region tend to be authoritarian and unresponsive to the need for change. Many of these economies lack the financial institutions that are needed to support today's fast paced, broadly distributed, and tightly interconnected capital flows. Financial crises beset the poorer citizens particularly hard, because these countries have inadequate safety nets to assist their citizens in weathering economic dislocations. Many of the Latin American countries also lack adequate "civil-society" institutions, such as trade unions, civic organizations, independent courts, and a free press. These institutions, which give depth and resilience to political life, take decades to establish.

Yet, long before the establishment of these institutions or the reform of a country's political and financial structures, governments of the region must deal with the immediate social consequences of economic reform imbalances. These consequences contribute to one important category of risk for foreign investors and companies doing business in the region: political risk, which can only be addressed by the host government.

Political risk is the risk associated with business or investment in a country which would not be present in another country with a more stable and developed business and economic climate and regulatory regime. This risk will be discussed as to its importance and impact on current and potential foreign investment. The study will also review the current policy effectiveness and attitudes toward pro-market reforms. Finally, the study will consider some solutions for sustainable economic growth in the region.

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AN EXAMINATION OF STRUCTURAL CHANGES AND NONLINEAR DYNAMICS IN EMERGING EQUITY MARKETS

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ABSTRACT

Recent equity market collapses in many emerging nations have made many of these markets the subject of much concern. Several emerging nations underwent a dramatic overhaul of their financial infrastructure in the 1990s as a result of radical changes in regulatory attitudes. This study uses nonlinear dynamics to examine whether such regime switches have made these capital markets more efficient in recent years. This study examines ten emerging countries' equity markets, i.e. Argentina, Chile, Jordan, Korea, Malaysia, Mexico, Philippines, Taiwan, Thailand, and Turkey using daily data covering the periods 1988-1992 and 1999-2003. Informational efficiency for each examined stock market over each examined subperiod is gauged by the extent of stochastic and deterministic nonlinear predictability inherent in the market. Results indicate that the hypothesized financial regime changes during the 1990's have had no conclusive impact on the examined nonlinear predictability of these markets. The good news is that no compelling evidence was uncovered to suggest that any of the examined markets have become less informationally efficient over the ensuing period.

A STUDY OF THE FINANCIAL CHARACTERISTICS OF COMPANIES IN TWO RAPIDLY GROWING ECONOMIES

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ABSTRACT

In recent years, there has been a lot of speculation as to the performance of corporations in two rapidly growing economies. Both China and India have shown rapid industrial growth for the last decade and this trend is expected to continue. However, the economies of these two countries are very different. China's industrial economy is centrally controlled while a substantial portion of the Indian economy's growth is driven by businesses in the private sector.

This study will examine the similarities and differences in the financial characteristics of corporations operating in these two countries. Financial data is used from year end 2004 for large corporations to examine if there are major differences in how businesses operate, the profitability of their operations, how they are set up and how they raise capital.

This study will be useful for persons that want to understand how the two systems work and for potential investors in trying to determine where to place their investment funds.

INTEGRATION OF NATIONAL CULTURES INTO LEADERSHIP: A CROSS-CULTURAL APPROACH

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ABSTRACT

Thrust into an arena of fierce global competition, many organizations face vulnerability. To be responsive, fast, and adaptable in this environment requires thorough understanding of cultural differences at both national and organizational levels. Companies should try to develop leaders with global mind-sets as best as they can.

This article addresses one of the critical success factors for success in today's business environment: a company's ability to develop global business leadership. Initially, this report presents basic characteristics, traits and behavior of typical business leaders among four cultures: American, European, Arab, and Japanese. The focus throughout the article is specific typologies and dimensions of culture by which the four cultures can be analyzed and compared.

At the second stage, the article explores leadership development from diverse countries, providing insight into the utility of Diversity Collaboration model. This section describes context and diverse situations, and outlines the side to which countries lean in developing future leadership.

Based on a comparative analysis and interpretation, this article concludes with the need for allowances for cultural diversity in the leadership development formula, and the need for integration mechanisms. It identifies effective strategies and methods for cross-cultural leadership and managing both diversity and collaboration simultaneously

DISCUSSION

Future leadership development in the new global economy must consider the national culture and background of potential leaders as significant variables in training techniques, methods, and philosophies. Nationality affects one's cognitive maps, values, behavior, and language. It also affects leadership development and selection by determining basic assumptions about what leaders look like, how they behave, what their style is, and so on. Schein (1985) developed a model that represents three levels of culture that define and shape career patterns and HIPO training and development. The first part of this report goes over national culture of some countries and then it provides wonderful examples of cultural diversity and its influence in leadership development.

Schein (1985, 8) defines culture as "basic assumptions and beliefs that are shared by members of an organization" and discusses three levels of cultures. He labels the first artifacts, referring to the visible manifestations of a culture such as behavioral patterns, dress codes, and the most obvious configurations of time and space. Artifact culture is observed easily but interpreted with difficulty (Derr, Roussion, & Bournois, 2002, xi).

The second level in Schein's cultural model is labeled values and norms, guiding beliefs, preferences, or norms- the manifest or adopted values of a culture- for instance, its emphasis on achievement or affiliation, on competition or collaboration, and on confrontation or avoidance of conflict.

The third level, or foundation of culture, is termed basic assumptions. These are "the invisible, preconscious or unconscious, non-debatable, or taken-for-granted, underlying cognitive structures that determine how group members perceive, think, and feel."

In multinational corporations employees from all nations act out the part of organizational culture, even changing some of their beliefs and values to correspond to those of the organization. But at the deepest level, they do not change their fundamental assumptions about life and work.

Basic assumptions are mostly rooted in broad cultural settings such as nations. Common early childhood practices, language, religion and philosophy, geography, early education and educational systems, and attitudes about work and life in the family and society are formative in determining the basic assumptions of a given culture. Artifacts, values and norms, although key manifestation of basic assumptions, emerge as differentiated translation and representations through different organizational settings. They are less culturally embedded and more likely to change over time than basic assumptions (Derr, Roussion, & Bournois, 2002).

Research supports the proposition that nationality alone is a significant parameter in determining a person's internal approach to career and leadership (Hofstede 1996). Nevertheless, in more heterogeneous countries with diverse cultures (like Malaysia); ethnic subcultures play an important function and should be considered in cross-cultural studies.

Derr and Laurent (1989) proposed the second part of their theoretical formulation by identifying factors that influence the role of culture in leadership dynamics. According to this model, national culture is the most determining factor in influencing a person's cognitive map through the shaping of basic assumptions. One's culturally embedded assumptions may be altered through strong corporate culture and the impact of cross-national experiences. Derr, Roussion, and Bournois illustrated this in their book of cross-cultural approaches to leadership development that a French expatriate who has lived extensively in the United States and Sweden may, in fact, have formed some constructs different from those formed by someone who had never left France.

An important contextual variable in this model is "individual differences." It is essential to recognize that cultural/ethnic orientation is also influenced by individual differences. Having this in mind, suggests the impact of national culture in two major ways:

1. National culture shapes an individual's self-definition of a leader through the fundamental ideas about self and work acquired from early experience in families and schools.
2. National culture shapes the cultural filters of individuals so that they perceive the words of work and leadership development through the norms, values and assumptions they have already learned in the culture.

Buying leadership from the labor market and requiring skill sets and intellectual capital that change according to market conditions are leadership requirements of the new world of work and demand flexibility, quick learning, change management, and an ability to work across diverse boundaries. One key role of a leader is somehow to hold talents from around the globe all together. In this regard, the Diversity-Collaboration model represents future leadership development. Future leaders or HIPOs (as are typically called high potential employees) are used in this model. As Schein (1985) pointed out, more and more HIPO systems of large multinational corporations were similar and were controlled by corporate culture and common visions as much as by reporting systems and standard operating procedures (Derr, Roussion, & Bournois, 2002). The Diversity-Collaboration model provides the content in which the second part of this report is considered. In this model, a company adjusts the dynamic tension between diversity and collaboration to meet its future leadership (talent pool) requirements. The new information economy favors individual techno stars and entrepreneurs.

American Culture Leadership

America's economy is roughly 25% of the world economy; therefore, it has large impact on the rest of the world. Due to its size, and also due to its mix structure of immigrants and descendants, the American culture is more varying and complex than most other cultures. However, impressive

amount of research shows that a relatively clear business culture, especially in terms of leadership, exists among Americans.

In the theoretical models proposed by the global of culture, America is often placed in an Anglo American group together with countries such as Canada, Australia, the United Kingdom and Ireland (Ronen and Shenkar, 1985, p.449).

American culture typically emphasizes on growth, modernity, materialism, work orientation, informality, equality, efficiency, pragmatism, individualism, freedom and competition (Bjerke, 2001). In regard to their culture, typified American business leaders can be analyzed focusing on the following themes.

European Culture Leadership

European leadership style differs in some aspects from American style. European views on equality and social justice do not fit well with the American style of restructuring. "Europe's mixture of job protection and regulation is widely criticized as a drag on business. But social justice and being 'caring' have not stopped European corporations from restructuring (Harris, 1996).

In most continental European countries, strong business leaderships are highly valued; the 'European model' fosters long-term ties between managers, owners and workers. In contrast, in America and Britain, firms are more influenced by shareholders who rely not on personal ties but on published accounts, straight forward ownership structures and clear goals for managers. (Harris, 1996)

As European institutions seek greater integration, their societies become more pluralistic, and cultures become more open, people become more aware of both similarities and differences between themselves. Thus leaders should study cultural attributes to acquire new leadership abilities.

Arab Culture Leadership
Most Arab executives and business leaders share with each other three interrelated bases of identity and commonality: 'language', 'religion', and 'history'. These elements have been used to identify membership of Arab league (Bjerke, 2001).

Religion is paramount in understanding culture throughout the Arab world. It relates to all aspects of life among Moslems as well as major impact on their thinking.

Generally speaking, "religion can be a way of coping with an uncertain future, and religion and uncertainty avoidance appear to be meaningfully related and religion reinforces differences in uncertainty avoidance between cultures" (Hofstede, 1984).

Japanese Culture Leadership

Bureaucracy, parliament and big business comprise the heart of Japan. Business leaders in Japan have very close relations with politicians. They can exert tremendous influences on government and politics. They are citizens of a young economic superpower; live in a country with few natural resources.

Japanese say that organization is people, not its shareholders. According to Matsumoto (1991), "the superiority of the Japanese corporate system is that it keeps managerial autonomy, once the core of capitalism, intact".

Interpretation of Japanese business leaders can be discussed by focusing on the following cultural themes.

ANALYSIS

The Diversity-Collaboration model, presented in the introduction of this article, can be used to explain various ways that diverse businesses and organizations in different countries perceive

leaders and select and develop future global leaders. As discussed, the very idea of a leader may be culturally embedded and, therefore, dependant on national culture. For example in the United States, the leader is often the CEO " free agent star" who works under contract, delivering short-term but impressive results and then spinning off to the next highest bidder.

Roussillon describes access to leadership in France a national elite, the members of which are destined to reach the top by virtue of their national examination scores in competition with peers, the school they attend, and their roles in national networks. In Germany, a leader must demonstrate extraordinary skill and be a kind of broad-minded "master" craftsman in his or her area of expertise. In Japan, a leader is competent, loyal, wise, male, respected and a product of the group- a kind of "senior statesman."

Another key cultural differences in the perception of leaders is the acceptance of a carefully selected elite group as the source of leadership potential (e.g., in France and Japan) versus the leader as a self-made person who outperforms others and rises to the top (e.g., in the United States, Most European countries like Scandinavia and Germany). If one has been prepared for leadership from an early age, leadership selection, advancement, and development systems may be different-emphasizing a measurement of potential at an early stage and focusing later on learning political and networking skills, rather than strictly on job performance.

The future European's mangers most important task is to be able to choose the right employees and motivate involve and stimulate them (Linkvist, 1988). The determination of the appropriate balance between competing demands remains essential function of leadership in Europe.

CONCLUSION

Although it is widely studied, Western leadership practices can not always be applied in non-western cultures. Hofstede (1980, p.57) argues that "Whatever a naïve literature on leadership may give us to understand, global leaders can not choose their style at will; what is feasible depends to a large extent on the cultural conditioning of a leader's subordinates." Leadership studies should incorporate various leadership paradigms and motivate culture-balanced learning contents. (Mellahi, 2000)

Different cultures will require different cross cultural emphases as well. The requirement for collaboration, according to Lawrence and Lorsch, depend on how much people need to cooperate and interact to be effective. A cross-cultural problem-solving team will have to manage whatever differences get in the way of their effective collaboration or they may not be effective.

High collaboration requirements usually mean a lot of face to face communication and are normally accompanied by differences of opinion, therefore, the presence of interpersonal, inter group cross-cultural conflict. The need for integration occurs when there exists at the same time the need for diversity and collaboration, according to Lawrence and Lorsch. In such situations, the organization must not minimize the presence of diversity conflict rather it should focus on integration management.

Integration management can be accomplished by (1) successfully managing rather than diminishing diversity related conflicts ,(2) using corporate culture as a "glue" to help hold together diverse parties, (3)using various management systems to help integrate efforts such as common information and reporting systems, e-mail, team meetings, group training events, use of cross-cultural teams for development as well as task accomplishment, and finally (4) Selecting and developing leaders who understand both to encourage diversity for improved performance and require collaboration for a more integrative and synergistic effort.

According to integration theory, the Diversity-Collaboration model described before becomes a Diversity-Collaboration-Integration (DCI) model when there is a need for both high diversity and high integration. What is important for selecting and developing future leadership for the new information economy, then, is that (1) the leaders themselves may be culturally diverse and

need to be integrated and (2) the leaders need to understand cultural diversity better so that when it exists and a collaborative effort is also needed, future leaders will be able to use appropriate organizational mechanisms to integrate efforts.

