

UC Irvine

UC Irvine Previously Published Works

Title

Organization and Management in the Embrace of Government

Permalink

<https://escholarship.org/uc/item/7j31v2gt>

ISBN

9781135651220

Author

Pearce, Jone

Publication Date

2001-05-01

Copyright Information

This work is made available under the terms of a Creative Commons Attribution License, available at <https://creativecommons.org/licenses/by/4.0/>

Peer reviewed

Organization and Management in the Embrace of Government

Jone L. Pearce

University of California, Irvine



2001

LAWRENCE ERLBAUM ASSOCIATES, PUBLISHERS
Mahwah, New Jersey London

Copyright © 2001 by Lawrence Erlbaum Associates, Inc.

All rights reserved. No part of this book may be reproduced in any form, by photostat, microform, retrieval system, or any other means, without prior written permission of the publisher.

Lawrence Erlbaum Associates, Inc., Publishers
10 Industrial Avenue
Mahwah, NJ 07430

Cover design by Kathryn Houghtaling Lacey

Library of Congress Cataloging-in-Publication Data

Pearce, Jone L.

Organization and management in the embrace
of government / Jone L. Pearce.

p. cm. (LEA's organization and management series)

Includes bibliographical references and index.

ISBN 0-8058-3769-8 (hardcover : alk. paper)

1. Organizational sociology. 2. Organizational behavior.
3. Management. 4. Bureaucracy. 5. Political science.

I. Title. II. Series.

HM786. P43 2001

305.3'5—dc21

00-046642

CIP

Books published by Lawrence Erlbaum Associates are printed on acid-free paper, and their bindings are chosen for strength and durability.

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

To Maggie, David, and Harry



Contents

	Series Editors' Foreword	xi
	About the Author	xiii
	Preface	xv
1	Government's Embrace	1
	Chapter Organization	4
	Studying the Organizational Effects of Government	8
2	Organizing in Spite of Government: Nonfacilitative Government	11
	Independent Organizations	11
	Effects of Governments on Independent Organization	12
	Modernism and Governmental Facilitation	14
	Neotraditionalism and Governmental Facilitation	16
	Governmental Characteristics Facilitating Independent Organization	19
	Nonfacilitative Government	30
		vii

3	Organizing by Personal Relationships: Understanding Trust	33
	Organizing by Personal Relationships or Trust?	34
	China Studies	37
	Understanding Guanxi	39
	Nonfacilitative Governments and the Need for Personal Relationships	42
	Evidence of Reliance on Personal Relationships Under Nonfacilitative Governments	45
4	Organizing by Personal Relationships: Meritocracy and Employee Empowerment	55
	Effects on Organizational Form	55
	Weber's Rational–Legal Bureaucracy	58
	Personal Relationships and Bureaucracy	63
	Pseudobureaucracies	65
	Effects on Human Resources Management Practices	69
	Personal Relationships Are Inimical to Impersonal Meritocracy	71
	Bureaucracies Empower Employees	72
	Bureaucratic Means Without Bureaucratic Aims	74
5	Engendering Participant Dissatisfaction, Fear, and Cheating	77
	Perceptions of Workplace Justice	80
	Dominance of Personal Relationships and Reward Allocations	82
	Obsequious Subordinates	85

Distrust, Fear, and Wariness	86
Cheating and Rule Breaking	90
Organizational Commitment	92
Exploitation	94
Dissatisfaction and Alienation	95
Dysfunctional Organizational Behavior	97
6 Unpacking Culture	99
Institutionalized Adaptations to Dependence on Personal Relationships	100
Relationships Dominated by Bargaining	101
Harmony in Interpersonal Relationships	108
Upward Gift-Giving	110
Supervisor–Subordinate Relationships	114
Cultural Adaptations to Nonfacilitative Governments	119
7 Implications for Theory and Organizational Change	123
Bringing Governments Into an Understanding of Organization and Management	123
Better Practice: Organizational Change	131
Conclusion	135
References	137
Appendix	145
Author Index	155
Subject Index	159

LEA's Organization and Management Series
Arthur Brief and James P. Walsh, Series Editors

**Ashforth • *Role Transitions in Organizational Life:
An Identity-Based Perspective***

Beach • *Image Theory: Theoretical and Empirical Foundations*

**Darley/Messick/Tyler • *Social Influences on Ethical Behavior
in Organizations***

Garud/Karnøe • *Path Dependence and Creation*

**Lant/Shapira • *Organizational Cognition: Computation
and Interpretation***

**Pearce • *Organization and Management in the Embrace
of Government***

**Thompson/Levine/Messick • *Shared Cognition in Organizations:
The Management of Knowledge***

Series Editors' Foreword

Jone Pearce opens her last chapter with the words, "Governments are critical to understanding organizations, not just because they may impose a regulation or tax that increases costs, but because they establish the framework on which all organizations are built. This is a framework with both direct and indirect consequences for these organizations and their participants." This concluding thought makes a great introduction as well. We too believe that our field has paid too little attention to the political and economic context of organizations as we have developed and tested our theories about them. Jone Pearce at once calls attention to this lacuna and fills it. Drawing on her years of quantitative and qualitative research in emerging economies and her comprehensive reading over those years, we are treated here to a timely (and we suspect, timeless) treatment of these issues. Her contributions are many. For example, you will find yourself intrigued by some nonobvious insights about personal relationships at work. Her lively writing style only adds to our reading pleasure. We hope you will enjoy this book as much as we did.

—Arthur Brief
—James P. Walsh

About the Author

Jone L. Pearce is Professor of Organization and Strategy in the Graduate School of Management, University of California, Irvine. Her field is organizational behavior, with research centering on how the institutional context affects individuals' behavior and their affective reactions in the workplace, often proposing and testing the mediating role of social processes. Her work has appeared in more than 60 scholarly articles in such publications as *Academy of Management Journal*, *Academy of Management Review*, *Journal of Applied Psychology*, and *Organization Science*. She has edited several volumes and has a book: *Volunteers: The Organizational Behavior of Unpaid Workers* (Routledge, 1993b).

A Fellow of the Academy of Management, her honors include research grants from the National Science Foundation; a Fulbright Fellowship to the International Management Center, Hungary; Scholarly Contribution Awards (1998 from the Academy of Management and 1986 from the American Society for Personnel Administration); Teaching Excellence Awards; and an invitation to testify on legislation pending before the United States House of Representatives. Professor Pearce has been active in the Western Academy of Management, elected as President in 1995–1996; and in the Academy of Management elected as a Representative-at-Large on its Board of Governors 1995–1998; and now as Program Chair for the 2001 meeting and President in 2002–2003. BA 1974, Psychology, University of California, Berkeley; MA 1976, Administrative Sciences, Yale University; PhD 1978, Administrative Sciences, Yale University.

Preface

This volume is about how governments affect the ways people organize themselves, manage these resulting organizations, and respond to these organizations. It draws from my work over the past 11 years following organizations struggling with the transition from communism in Hungary, China, the Czech Republic, and Lithuania. Such settings are organizationally interesting in their own right, yet even more so for the window they open on the effects of governments. This volume was written primarily to introduce organizational scholars—those interested in organizational behavior, management, theory, and design—to the ways that governments can influence organization. However, it also was written with an eye to readers with practical interests in international management or governments.

The impetus for the research was a leadership residential course for state-owned enterprise managers I cotaught in Tihany Hungary in April 1989. I became fascinated by these managers' organizational complaints. Whereas many of their problems were the familiar ones of managers everywhere, others were quite literally inexplicable to me. I was swept up in trying to unravel these organizational mysteries, which were leading me on a quest that would take me in unexpected directions. In trying to fathom these organizations, I needed to spend more time with them, and I was very fortunate that my search for a research collaborator led to the incomparable Imre Branyiczki, then associated with Marx Károly Közgáztudomány Egyetem (which has since traded the philosopher's name for the name of its city, becoming Budapest University of Economic Sciences), and we began a longitudinal data collection project that ran from the last months of 1989 until 1996. Later, I was able to conduct short-term projects in Czechoslovakia (since named the Czech Republic) and Lithuania, as well as begin another longitudinal project in China with Katherine Xin (now with the Hong Kong University of Science and Technology) that continues.

As I learned more about how people operated in and through these organizations, I began to reexamine other more familiar organizations in a new light. Certainly, governments are a vital concern to those who run state-owned enterprises, so participants there focus on the thoughts, feelings, and actions of government officials. Yet, as the communist regimes came to an end and our studied organizations were privatized, governments still dominated managerial attention, but now for different reasons altogether. As we tried to understand why this should be so and began to read more broadly in sociology, economics, and political science, it seemed to me that governments' effects had not been sufficiently recognized in the organizational sciences. Observed cross-national differences were psychologized as differences in values, with little exploration of why different actions and expectations might make practical sense in differing national circumstances. The one national circumstance that seemed to be making a very important, yet unrecognized, difference was government. This volume represents a broadening of that initial desire to understand how organizations made the transition from communism to include a broader exploration of the effects that differences in governments have on management, organizations, and organizational behavior.

The research underpinning this volume did not proceed in a conventional fashion with hypotheses deduced from theory and then tested. Rather, in 1989 I and my collaborators hoped to track what would happen to organizations and their participants as they faced the forces of transition—forces everyone expected to be powerful but that no one could foresee with any precision. As we learned more, we asked new questions and explored new scholarly literatures for guidance. We did collect systematic data when we could, and occasionally these data could be used to provide independent confirmation of the arguments presented here. Over the years, some of the ideas discussed here have appeared in earlier publications.¹

I draw on data from several different studies and so would like to thank those who helped to support those studies. Imre Branyiczki and I together designed the 1989–1996 Hungarian longitudinal study, and he was primarily responsible for

¹Earlier published work includes Pearce, J. L. (1991). From socialism to capitalism. *Academy of Management Executive*, 5, 75–88; Pearce, J. L. (1993). Toward an organizational behavior of contract laborers. *Academy of Management Journal*, 36, 1082–1096; Pearce, J. L., Bigley, G. A., & Branyiczki, I. (1998). Procedural justice as modernism. *Applied Psychology: An International Review*, 47, 371–396; Pearce, J. L., & Branyiczki, I. (1997). Legitimacy: An analysis of three Hungarian–West European collaborations. In P. W. Beamish & J. P. Killing (Eds.), *Cooperative strategies: European perspectives* (pp. 300–322). San Francisco: The New Lexington Press; Pearce, J. L., Branyiczki, I., & Bakacsi, G. (1994). Person-based reward systems. *Journal of Organizational Behavior*, 15, 261–282; Pearce, J. L., Branyiczki, I., & Bigley, G. A. (2000). Insufficient bureaucracy. *Organization Science*, 11, 148–162; Pearce, J. L., & Čakrt, M. (1994). Ferox manufactured products and air products and chemicals. In D. S. Fogel (Ed.), *Managing in emerging market economies* (pp. 5–102). Boulder, CO: Westview; Pearce, J. L., Ramirez, R. R., & Branyiczki, I. (2001). Leadership and the pursuit of status: Effects of globalization and economic transformation. In M. McCall (Eds.), *Global leadership II*. Greenwich, CT: JAI Press; Xin, K., & Pearce, J. L. (1996). Guanxi: Connections as substitutes for formal institutional support. *Academy of Management Journal*, 39, 1641–1658; Xin, K., & Pearce, J. L. (2000). *Harmony and ties in interpersonal relationships in China and the U.S.* Working Paper, Department of Organization and Management, Hong Kong University of Science and Technology.

data collection. Our early data collection was supported by Vállalatgazdasági Tudományos Egyesület (Hungarian Business Economics Society) and an Irvine Faculty Fellowship. Later financial support was provided by my dean, Dennis Aigner, whose generous increase to my faculty research budget supported my many data collection trips to Hungary. The 1991 Czechoslovak case study was conducted in collaboration with Michal Čakrt, and was funded by the United States Agency for International Development (with Daniel Fogel as the principal investigator). Arunas Kuras and Romualdas Rimaitis assisted in data collection for the 1993–1994 Lithuanian study. Katherine Xin and I both designed the China–U.S. comparative studies, and she collected most of the unstructured interview data from China. Furthermore, I would like to express my appreciation to John Lara, whose cheerful assumption of family responsibilities during those many international data-collection trips made this work possible.

The remaining comparative data were taken from several different studies conducted in the United States. Data collection assistance for the 1985 study was provided by Steve Sommer, Carol Sexton, and Greg Stephens. Together, Khalid Al-Aiban and I designed the 1987 U.S. comparative data, with him taking responsibility for data collection. Data collection assistance for the 1988 U.S. sample was provided by Steve Sommer. Finally, the 1992 U.S. data were taken from a large study I conducted with Lyman Porter and Anne Tsui (funded by a United States National Science Foundation grant, #SES-89123), with data collection assistance from Terri Egan, Brenda Edwards, and Jennifer Hite, and proposal assistance from Angela Tripoli. Data analysis assistance has been provided over the years by Greg Bigley, Patricia Martinez, and Sándor Tákacs.

I also thank those who helped to bring this work to publication. The series editors, Art Brief and Jim Walsh, provided insightful feedback and suggestions on earlier versions of this manuscript. I am indebted to Anne Duffy, who has been extraordinarily supportive and helpful throughout the publication process. Another thanks to Sarah Wahlert, who moved the manuscript through the production process. I was ably assisted in the manuscript's preparation by Valeska Wolf and Clare Lorenzo, and by Catherine Hammond's editorial assistance. Certainly not least, thanks to Harry Briggs for his advice and support.

Finally, this work rests on the work of two invaluable collaborators. First and foremost I would like to acknowledge the depth of my gratitude to Imre Branyiczki. He spent uncountable hours at companies charming and cajoling those with much to lose by trusting him and our promise of anonymity. Many of these ideas came out of our years-long conversations. He deserves the credit for any truths that may appear here.

I am greatly indebted to Katherine Xin. She has been responsible not only for the Chinese data collection in the China–U.S. comparative studies, but also for many critical insights and ideas discussed here. I feel fortunate to have had the benefit of working with such a formidable intellect. The ideas developed here were shaped in conversations with Gyula Bakacsi, Greg Bigley, Michal Čakrt,

Dan Fogel, Gábor Kornai, Imre Lövey, Livia Markóczy, Patricia Martinez, Ian Taplin, the first class of Young Managers from Hungary's Nemzetközi Menedzser Központ (International Management Center), and the many anonymous informants from China, the Czech Republic, Hungary, and Lithuania. I thank all of those who tirelessly explained the fine points to this naïve foreigner. I have had the luxury of circumstances allowing me to produce this book, but the insights are theirs.

1 Government's Embrace

Governments are important to organization, establishing and enforcing the rules under which organizations operate. They can make a course of action profitable or illegal. Governments may be stable guarantors of open and fair dealing, or they may be bumbling inept entities unable to control even their own officials. Governments facilitate the establishment and enforcement of the fundamental understandings necessary to action: who is entitled to what uses (use rights); who may legitimately sell products, land, and equipment (ownership rights); and what actions are acceptable (contract law). They are extraordinarily various, ranging from centuries-old tradition-encrusted institutions to the bandit in control of a small region, with every imaginable variation in between. Yet however various they are in form and practice, governments are always important to organizations and their participants. They establish the rules by which organizations must play and have the means to use physical force to coerce compliance.

Because those who operate and work within organizations must always contend with the governments ruling over them, it is remarkable that government is virtually invisible in theories of organization and management. Certainly it has become a truism that economic activity is enmeshed in institutions (Polányi, 1957). That is, individuals act in the context of their expectations about the meaning and effects of their actions. Yet governments have not figured prominently in the institutions examined by theorists of organizations, organizational behavior, or management. Social institutions (Granovetter, 1985), cultural ones (Hofstede, 1980a) and historical experiences (Guillén, 1994) have received scholarly attention, whereas the effects from different forms of sovereign government are only rarely noted.

To illustrate, corruption among government officials has been widely discussed in the popular management press but rarely addressed or explained in the scholarly organization and management literature. Yet surely the ability (or requirement) to

avoid the enforcement of inconvenient laws results in different organizational strategies, organizational practices, and attitudes and behavior of participants than what would obtain in a society wherein enforcement of the rule of law is strict and assured. Economists have sought to analyze corruption as a cost of business, but rarely have organization and management scholars analyzed how corruption affects the way the participants organize their work and their relationships with one another. Moreover, corruption is just one example; the same strange silence confronts such government practices as erratic and opaque laws and regulations, requirements that organizations take state-owned partners into their ventures, or the practice of favoring cronies and family members in government contracting, among others. Despite O'Reilly's (1991) call for more sociologic and conceptual explanation in organizational behavior, such explanations have been scarce, a situation this work is intended to address.

Certainly, the fact that scholarship and research is dominated by those living in societies with comparatively strong, predictable, and supportive governments has played a part in this omission. Because governments in the societies wherein most scholars work tend to be strong, predictable, and supportive of independent organizations, the only visible scholarly focus on governments concerns differences in the content of particular laws, such as the German requirement, not found in many other developed countries, that large corporations place employee representatives on corporate boards. Yet no one in these societies is uncertain about how such government mandates are created, or doubts that these large corporations must comply with whatever the law requires. Because most scholars are not as familiar with the organizational effects of weak, erratic, and hostile governments, few scholarly theories have been cognizant of how the embrace of government affects management practice, organizations, and organizational behavior.

The arguments presented here are derived from insights gained from the collapse of communism. Communism was an experiment in direct government control over all of the organized activities of a modern society. It can be viewed as an ambitious attempt, in numerous societies with vastly different cultures and histories, to operate in violation of many fundamental social science theories. For example, Parsons and Smelser (1956) argued that a central feature of modernism was the differentiation of societal subsystems, yet communism tried to recombine these subsystems into a single party-controlled one. Weber (1947) feared that the world would be dominated by bureaucracies because of the superiority of their rational pursuit of technical efficiency, yet in communist societies bureaucratic rationality was subordinated to political ideology. Under communism, organizations looked funny, and their participants acted in ways that appeared peculiar to the visitor steeped in knowledge of social science theory and organizational practice in the developed world.

In seeking to learn more about why such unexpected behavior should have occurred, the author learned that the government-driven organizational forms and organizational behavior were not anomalies. Whereas the government interventions in communist countries were stark enough to draw the author's attention, further

research and observation led to the proposition that the effects of governments on management and organization are pervasive, powerful, and underappreciated by scholars in management, organization theory, and organizational behavior.

Practitioners working in such countries certainly appreciate the power of governments, but they have received little explanatory assistance from scholars. Practitioner pamphlets, films, and books provide vivid anecdotes for those struggling with the complex challenges of international work. However, they offer little explanation. Rather, the reader is required to take the differences described as a fact of life and admonished to be sensitive to others' differences. But surely not in all circumstances. Should Canadian managers adapt themselves to a Javanese view of time as holistic in their factory there? We all know they will do no such thing. Without an understanding of the reasons for particular international differences, useful advice about when to adapt and why cannot be given, nor can predictions about changing practices be made. Anecdotes help to caution new arrivals, but they are limited guides for the long hard work of organizing in countries not your own. Practitioners have been forced to make one ad hoc adjustment after another with no sense of why some may work and others may fail.

This neglect of government's role in management and organization is becoming an increasingly important problem. Large complex organizations arose with modernization, yet increasing global economic and institutional integration has placed organizations that developed in modernist societies into ones that governments are not willing or capable of supporting. Such spreading internationalization has been followed by a growth in scholarly and professional interest in international management. Whereas the amount of writing about international management increases, useful theories have not kept pace. This is the gap in understanding that this work seeks to fill.

Although some scholars have sought to explain the role of governments in international differences in organizational behavior and practices, with few exceptions, such explanations are specific to a particular country and scattered in various scholarly journals ranging across fields such as political science, sociology, economics, anthropology, and psychology. This makes their insights unusable by practitioners and difficult to access for many organizational scholars. As demonstrated in this volume, governments have powerful effects on the fundamental ways in which organizations operate and on their participants' expectations, attitudes, and behavior in the workplace. Here the scholarly ideas from these scattered social science disciplines addressing these effects are integrated with the author's own research into a coherent argument about the effects of government on management practice, organizational form, and individuals' organizational behavior.

This work is an explanation of how governments' ability and interest in facilitating independent organization affects organizing and organizational behavior. As governments vary from those that successfully facilitate independent organization to those at the other end of this dimension that actively seeking to impede independent organization. Facilitating governments are supportive, seek to provide predictable laws and regulations that they are capable of enforcing. As govern-

ments become less facilitative, the less supportive they are of organizations, and the more unpredictable and weak they become. Although a difference in governments' facilitation of independent organization is not the only international difference affecting organizations, it is an important one, with powerful implications for organization theory, behavior, and management practice, that has yet to receive a systematic and comprehensive analysis.

In this volume, the focus is on understanding the effects of nonfacilitative government, but it is addressed primarily to scholars and practitioners in rich, developed societies with facilitative governments, for several reasons. First, those living under nonfacilitative governments already know what they face. Rather, it is the scholar or practitioner who has worked only under facilitative governments and implicitly assumes its comforts who most needs assistance in understanding what nonfacilitative governments do to organizations and their participants. When confronted with organizations operating under nonfacilitative governments, they make blunders such as misunderstanding the meaning and uses of introductions, or ignoring the mutual obligations inherent in their local business relationships. Those who do not understand the role of government facilitation in organizations assume that others' practices must result from ignorance, or from that vague all-purpose cause, cultural differences, instead of viewing them as practices and assumptions that others have found useful in their circumstances.

Second, scholarly theories implicitly assuming facilitative government are partial without recognizing it. The study of organizational theory and behavior under nonfacilitative governments provides insights, elaborations, and modifications of these partial theories developed under facilitative governments. In some cases, this work provides empirical evidence to support and reinforce ideas that have not received broad testing, such as Redding's (1990) argument that weak and hostile governments lead to organization based on personal relationships. In other cases, it suggests that a theory may be mischaracterizing a phenomenon, with potentially misleading results, as in scholarly descriptions that characterize reliance on mutual dependence in transactions as "trust-based."

Finally, this work adds new topics and insights to these disciplines, such as the study of employee obsequiousness, harmony in interpersonal interaction, and passivity. Although no scholars of organizational theory and behavior would maintain that governments are irrelevant, it is now time to begin understanding in what ways they are relevant and why.

CHAPTER ORGANIZATION

Organizational adaptations to differences in government facilitation have been numerous and significant. Although the central idea is a fairly abstract one, it has substantial implications for many of the most vexing organizational puzzles faced in international management. Figure 1.1 summarizes the arguments to be made, and where possible, tested here.

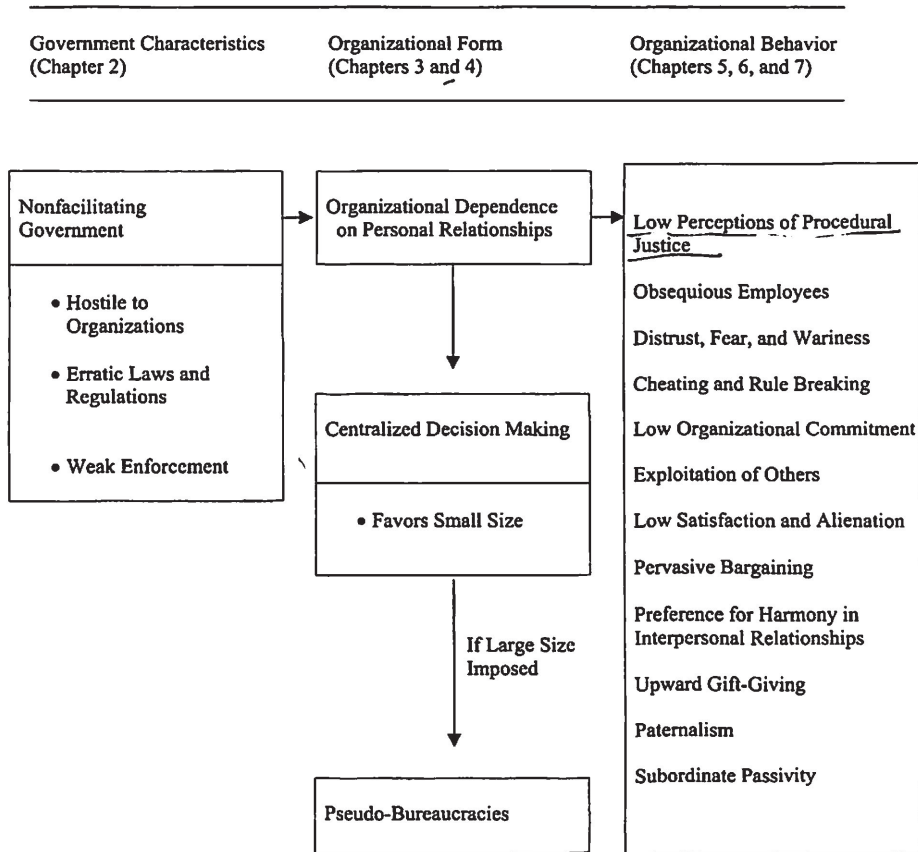


FIG. 1.1. Organization and management in the embrace of nonfacilitative government.

The central insight developed and illustrated in chapter 2 is that a primary role of government is to facilitate effective complex organization. Among other organizational effects, strong facilitative governments create legal infrastructures and enforcement regimes that allow sufficient advance planning to enable participants to judge whether personal and financial investments are worthwhile, and to rely on more efficient impersonal coordination. Yet not all governments develop and enforce the policies that facilitate such organizational work. Some governments do not do so because they are hostile to independent organizations. Communist governments are extreme examples of hostility to independent organization, but there are many other examples of governments hostile to independent organizations in particular industrial sectors (e.g., oil). Similarly, governments facilitate organization by ensuring predictability in laws and regulation.

Finally, governments may simply be too weak to effectively facilitate organizations. Lack of enforcement can take different forms. Some governments are incapable of enforcing their own laws because they lack organizational skill or control over all their territory. Alternatively, some governments may be unable to control their own local officials, who then are free to hijack local agencies for their own personal use. However, just because governments may not be able or willing to facilitate independent organization, people do not stop organizing because such efforts are not made easier by governments. Rather, they organize as best they can under the constraints they face.

Chapter 3 draws on the work of others such as Redding (1990), who have suggested that individuals adapt themselves to nonfacilitative government by basing their organizations on personal relationships. This adaptation is best documented in the burgeoning study of Chinese *guanxi*, or relationships. Under nonfacilitative governments, individuals seeking to organize will build the predictability and support they need via their own personal networks by cultivating relationships of mutual dependence with useful others. How such relationships look and how they are built and sustained as the basis for organization is illustrated with empirical and case descriptions from the research of the author and others in a number of countries. The arguments and data presented in this chapter call into question scholars' use of the term "trust" to characterize transactions based on personal dependence. Such relationships may be characterized by personal warmth and trust, but more often they are wary, distrustful relationships, quite accurately described by the economists' term "mutual hostages."

In chapter 4, the effects that a dominance of personal relationships have on the form and practices of organizations operating under nonfacilitative governments are examined. For example, it is proposed that dependence on personal relationships fosters high levels of centralization, because so much depends on personal relationships and it thus cannot be delegated. Nevertheless, although this dependence on personal relationships in organizing would seem to compel small organizational size, ~~large organizations~~ are found operating in societies with nonfacilitative governments. This suggests an anomaly: large organizations operating under technical circumstances that should make this very difficult or even impossible. In this chapter, the form and operation of such large organizations are proposed to provide insights into bureaucratic organizational practices.

The large organizational type produced under nonfacilitative government is a distortion of bureaucracy that has been called *pseudobureaucracy*. This organizational form mimics the formal policies of bureaucracy without its goals of purposeful, goal-directed meritocracy. Drawing on the studies of political scientists and anthropologists of developing countries, pseudobureaucracies are analyzed in detail. This analysis leads to several propositions. First, when organizations are dominated by dependence on personal relationships, impersonal trust is damaged. Second, goal-directed purposeful meritocracy arose from and depends on the relative empowerment of employees. That is, in contrast to what some scholars assert, bureaucracy in practice seems to empower employees relative to the organiza-

tional alternatives. Finally, professional human resources management practices appear to be particularly sensitive to dependence on personal relationships in organizations. Therefore, various distortions of human resources management departments observed in organizations operating under nonfacilitative governments are described.

Chapter 5 reports the tests of several behavioral and attitudinal implications of nonfacilitative government and the resultant dependence on personal relationships in organizations. The self-reports of professional, technical, and administrative employees from Hungary, Lithuania, and China are compared with those of their counterparts in the United States. These employee reports confirm the rather negative accounts from scattered social science disciplines investigating organizational behavior under nonfacilitative governments. Interestingly, there has been comparatively little systematic research in the field on the kind of negative behaviors described under nonfacilitative governments that pose no immediate risk to employers, such as obsequiousness, distrust of coworkers, and exploitation of others. Certainly, such behaviors may be found in any workplace, so the insights and new measures developed for these tests may be extended more generally to the study of this darker side of organizational behavior.

In this chapter, employees working in the organizations operating under nonfacilitative governments report less workplace procedural justice; more obsequious employee behavior; greater distrust, fear, and wariness of others at work; more cheating and rule breaking; less employee organizational commitment; more exploitation of others; and lower job satisfaction than their counterparts working under facilitative governments. These results are consistent across the different studied countries, and confirm the observations of numerous scholars from varied social sciences. Thus, they leave little doubt that employees working in the organizations dominated by personal relationships under nonfacilitative governments are unhappy with their coworkers and their workplaces.

Chapter 6 focuses on analyses of the complex adaptations employees make to working in organizations dominated by dependence on personal relationships. By building on the comparisons reported in the previous chapter, more complex adaptations to working in organizations based on personal relationships under nonfacilitative governments are analyzed. These include the dominance of bargaining in the workplace, a normative expectation of interpersonal harmony: upward gift-giving; and such features of workplace authority relations as distrust, paternalism, and passivity.

These patterns are the basis for reflections on the way the concept of culture has been applied in organizational behavior. The adaptations can be characterized as behavioral patterns that become enculturated in participants' expectations and assumptions. However, reflection on the role of these patterns as adaptations to nonfacilitative government suggests that there has been an overreliance on psychological theories of comparative organizational behavior. It is true that these psychological approaches have provided many valuable insights. Nevertheless,

this psychological dominance of cross-national organizational behavior has been limiting because it mislabels what can be highly changeable expectations as the stable values of personality theory. As proposed in chapter 6, such theories cannot explain the changes in expectations and behavior that occur in response to governmental, economic, and technologic changes.

Finally, in chapter 7 the question of change in organizations dominated by dependence on personal relationships is addressed. Drawing on the longitudinal study in Hungary and the work of others studying organizational change under nonfacilitative governments, insights into organizational changes in response to governmental change are developed. Because governmental changes in the former communist countries have been so rapid, these studies also provide the opportunity to isolate the relative facilitation of governments from the societal culture.

The work concludes with a summary of the arguments and a discussion of the implications for understanding management and organizational theory and behavior. Particular attention is directed to the implications for both scholarly theories and practice. Examples include the distinction between trust and mutual dependence, the difference between bureaucracy and pseudobureaucracy, the dysfunctional effects of such personal-relationship-based organizations on employees' experience of work and their performance, the effects of bargaining and paternalism on employee attitudes and behavior, and the value of structure-based theories in international management. The implications for understanding the relation of personal relationships to meritocracy, bureaucracy, and alienation, one approach to deconstructing culture, and for a better understanding of nonproximal influences on organizational behavior are explored.

This argument also has several important practical implications, not so much for those who have worked long under nonfacilitative governments, but for those who assume facilitative government and yet are unaware of its practical effects on management and organizational practices. For example, these managers can benefit from insight into why such things as relationships are so important in these settings, and into the fact that cheating does not arise from individual moral deficiencies in such societies. This work has implications for whether managers can create organizations in which the internal corporate cultures are based on trust, responsibility, and merit in societies wherein people have learned that success really depends on obsequious ingratiation.

STUDYING THE ORGANIZATIONAL EFFECTS OF GOVERNMENT

The aforementioned ideas developed from the work of social scientists in a variety of social science disciplines and from insights gained from the author's own research. The literature addressing the effects of nonfacilitative government comes from a wide range of sources, usually written for audiences far different from the audiences for whom this work is intended. Therefore, some care is taken to intro-

duce these ideas and explain their relevance for scholars in organization theory and behavior and for management practitioners.

The research program consists of direct observation and the collection of archival and other secondary source material as well as participant self-reports in the forms of structured and unstructured interviews and questionnaires from nine research projects. The studies are listed in Table 1.1. More detailed information regarding organization sampling and procedures can be found in the Appendix. When possible, assertions are tested, relying on data that have not been filtered or interpreted by other researchers or the author, namely, the reports of participants blind to the explanations presented here.

Unquestionably, causal statements are made in this work that are not definitely proved by the data and prior research cited. Certainly, there is a risk in trying to isolate the effects of government on organizing and organizational behavior. Governments and their societies are inexorably intertwined. Previous writers have suggested that governments reflect their societies (Banfield, 1958; Geertz, 1973; Hamilton &

TABLE 1.1

Research Studies

<i>Years</i>	<i>Countries</i>	<i>Collaborators</i>	<i>Methods</i>
<i>Sampled organizations from relatively nonfacilitative governments</i>			
1989–1996	Hungary	Imre Branyiczki	Longitudinal data collection consisting of structured and unstructured interviews, archival and popular press reports, and questionnaires
1991	Czechoslovakia	Michal Čakrt	Case study
1992–1993	China and the United States	Katherine Xin	Structured interviews
1993–1994	Lithuania	Arunas Kuras	Unstructured interviews and questionnaires
1997–1998	China and the United States	Katherine Xin	Unstructured interviews and questionnaires
<i>Sampled organizations from relatively facilitative governments</i>			
1985	United States		Unstructured and structured interviews and questionnaires
1987	United States	Khalid Al-Aiban	Unstructured and structured interviews and questionnaires
1988	United States		Unstructured and structured interviews and questionnaires
1992	United States	Lyman Porter and Anne Tsui	Structured interviews and questionnaires

Biggart, 1988; Putnam, 1993) and provide compelling evidence that existing cultures inexorably stamp their formal organizations of government. Certainly, a detailed discussion on the causes of nonfacilitative government are beyond the scope of this work (Lipset, 1994; Tocqueville [1835–1840] 1968; Weber, 1947).¹ Many other factors vary with governmental characteristics, and because it is not possible to do experiments in which governmental features are randomly varied while other historical, societal, and cultural features are held constant, the effects of governments can never be isolated with complete confidence. For example, it is not possible to isolate relative nonfacilitative government from other common covariates, such as the spread of democracy, and then watch individuals build their organizations over time.

This limitation was approached in several ways. First, an attempt was made to collect data from four different countries with nonfacilitative governments but very different cultures and histories. For example, according to Hofstede's (1980a) cultural dimensions, China is a highly collectivist culture, whereas Hungary is one of the most individualistic. Common practices found across all sampled countries are, it is hoped, more likely to reflect the common factor—nonfacilitative government—than nongovernment-related differences in cultural values or history. Second, the focus was on those countries that have been experiencing the most rapid changes in government: communist and reforming communist countries. Here, rapidly changing governments provide an opportunity to link governmental policies and practices directly to changes in organizational practices and individuals' expectations, attitudes, and behavior. Third, the data collection provided many opportunities to talk to people. They were asked to describe actions and pressed for explanations. Participant accounts that strongly implicate nonfacilitative government in their attitudes and behavior are reported throughout.

Finally, although readers are cautioned that the examples and tests presented in this volume are not and cannot be definitive proof, the author does not shy away from stating the bold belief that government facilitation does matter decisively in the organizational practices as well as individual attitudes and behavior documented in this discussion. The author has tried to avoid couching causal arguments in academic terms such as "is associated with" and "covaries." So much consistent data from so many sources suggest to the author that governments affect management practice, organizational form, and organizational behavior in the ways that she describes. She may have gotten it wrong, but these erroneous ideas will not be corrected by hiding them in obfuscation. It seems best for the author to lay out her case and let others take their best shots.

¹Scholars of political institutions have noted that "brittle" governments (i.e., incapable of sustaining themselves) can result from extreme poverty, a mismatch of ethnic and political boundaries (Lipset, 1994), few civil associations (Tocqueville [1835–1840] 1968), and nontraditional authoritarian regimes (Weber, 1947), among others. Furthermore, fundamental transitions such as those that occurred in the formerly communist states will certainly weaken government. For example, China is undergoing a rapid economic transformation with its dominating formal institution, the communist party, becoming increasingly less significant (Nee, 1992) *The Economist* has been providing a chronicle of these processes, for example in the March 8, 1997 issue.

2 Organizing in Spite of Government: Nonfacilitative Government

Governments are not the only factors affecting organizational form and behavior, but they are important, malleable, and ill-understood elements. Governments are important because organizations look different and function differently. Moreover, their effects on their participants all are affected by differences in these institutions. Governments matter in organizing: They make the rules by which organizations operate and hold the monopoly of legitimate coercive power. Yet, management scholars have largely treated them anecdotally, one governmental policy at a time. In this effort to provide a broader perspective, it is necessary to develop a framework of governmental effects. This framework is based on the idea that governments vary in their facilitation of independent organization.

INDEPENDENT ORGANIZATIONS $\otimes$

Independent organizations are those that operate independently of direct government dictate. They are not components of government, nor do they exist to achieve government-determined objectives. The concept of independent organization is key to the discussion, but one that is difficult to define because it does not exist as an absolute. Certainly, all organizations depend on and reflect the governments operating in the places where they do business. Yet, there are differences in both the degree and in the nature of dependences that has a profound effect on the form of organization and the behavior of the participants. A sufficient difference in degree becomes a difference in quality, as the Pacific Ocean is a very different entity than a raindrop.

Independent organizations are free to set their own goals rather than pursue those imposed on them by the government. Independence may be completely ab-

Author Index

A

Adler, N. J., 120, 152
Al-Aiban, K. M., 83, 84, 150
Alexander, S., 80
Antal-Mokos, Z., 19, 21, 101, 104, 107
Argyris, C., 75
Arrow, K., 34, 36, 70

B

Bakacsi, G., 49, 68, 150
Banfield, E. C., 10, 15, 65, 78, 81, 86, 87,
90, 92, 94, 96, 118, 127
Bartunek, J., 108
Bentson, C., 62
Berliner, J. S., 101
Biggart, N. W., 10
Bigley, G. A., 34, 81, 89, 91, 93
Blau, P. M., 111
Boisot, M., 19
Boyer, R., 128
Bradach, J. L., 34, 36, 40
Branyiczki, I., 49, 53, 68, 81, 91, 93, 101,
102, 133, 150
Brislin, R. W., 107, 151, 152
Brockner, J., 80
Burawoy, M., 17, 19, 104

C

Čakrt, M., 146, 148
Campbell, N., 152
Carroll, G. R., 102
Chan, K. B., 39
Chan, W., 37
Chandler, A., 58
Chiang, S. C., 39
Child, J., 19
Clegg, S. R., 62
Coleman, J. S., 14, 80
Collins, R., 14
Comte, A., 14
Conger, J. A., 62
Cooper-Schneider, R., 80
Crozier, M., 120
Czaban, L., 52, 53

D

Davies, H., 38, 39, 45
Deresky, H., 40
Deutsche, M., 88
Dickson, W. J., 63
Donaldson, L., 62
Dore, R. P., 109
Doucet, L., 108

Dunkerley, D., 62

E

Earley, P. C., 108
Earnest, W. R., 116
Eccles, R. G., 34, 36, 40
Ekeh, P. P., 111
Estrin, S., 21

F

Fallers, L. A., 66
Ferguson, K. E., 62
Feuerwerker, A., 37
Fligstein, N., 13, 14, 15, 24, 27, 33, 128
Folger, R., 80, 93
Freeman, J., 62

G

Gambetta, D., 34, 42, 64, 78, 81, 87
Gaugler, B. B., 62
Geertz, C., 10, 27, 28, 121
Gessin, M., 25
Goffman, E., 108
Goodstein, J., 102
Granovetter, M. S., 1, 34
Gregory, P. R., 49, 57, 90, 101, 107
Guillén, M. F., 1
Guttman, A., 72
Gyenes, A., 102

H

Hackman, J. R., 96, 152
Hamilton, G. G., 10
Hannan, M. T., 62
Haraszti, M., 41, 87, 88, 89
Hardin, R., 88
Henderson, G. R., 34
Henderson, J., 52, 53
Hickson, D. J., 56, 61, 104
Hinings, C. R., 56, 61, 104
Hirschman, A. O., 110
Ho, D. Y., 108
Hofstede, G., 1, 10, 99, 120
Hollingsworth, J. R., 128

Homans, G. C., 111
House, R. J., 62
Hsing, Y., 19, 22, 49, 104, 146
Hu, H. C., 108
Hwang, K., 108

J

Jackman, M. R., 116
Jacobs, J. B., 39, 44, 50, 101, 111
Jacoby, S. M., 69, 72, 80
Jardine, L., 37
Jehn, K. A., 108
Jensen, M. C., 24

K

Kahn, R. L., 23, 24, 42
Kanungo, R. N., 62
Katz, D., 23, 42
Kee, H. W., 34
Kerfoot, D., 116
Khanna, T., 42, 43, 45, 55, 57
Kirkbride, P. S., 108
Knights, D., 116
Knox, R. E., 34
Kohli, S., 35
Kolb, D. M., 108
Konovsky, M. A., 80, 93
Kornai, J., 19, 22, 57, 100, 101, 102, 103
Kostera, M., 117
Kramer, R. M., 36
Krotov, P., 17, 19, 104
Kultgen, J., 116

L

Larson, A., 44
Laurens W., 108
Laurent, A., 152
Lax, D. A., 108
Lee, C. A., 104
Lengyel, G., 52, 53
Leventhal, G. S., 80
Lipset, S. M., 8, 10, 30, 78
Litwack, J. M., 17, 30, 79, 90
Luhmann, N., 34
Luthans, F., 68

M

Macaulay, S., 37
 Malinowski, B., 111
 Mars, G., 90
 Martinez, P. G., 118
 Maruyama, M., 110
 McAllister, D. J., 88
 McFarlin, D. B., 80, 93
 McKinnon, R. I., 49
 Meckling, W. H., 24
 Meyer, J. W., 130
 Mill, J. S., 58, 74
 Mintzberg, H., 62, 64
 Morgan, G., 64
 Mowday, R. T., 93, 152

N

Nee, V., 8, 24, 25, 45, 146
 Newman, K. L., 49, 57, 131, 135
 Nollen, S. D., 49, 57, 131, 135
 Norden, M., 108
 North, D. C., 12, 14, 15, 23, 27, 33, 45,
 128
 Nove, A., 22, 67

O

O'Reilly, C. A., 2
 Oldham, G. R., 96, 152
 Ouchi, W., 34, 36, 40

P

Padavic, I., 116
 Pagden, A., 65, 87
 Palepu, K., 42, 43, 45, 55, 57
 Parsons, T., 2, 14, 18, 64
 Pearce, J. L., 19, 24, 34, 45, 46, 47, 49, 53,
 67, 68, 81, 83, 84, 85, 88, 89, 91,
 93, 101, 102, 109, 133, 148, 150,
 151
 Pennings, J. M., 44, 104
 Perrow, C., 58, 62, 65
 Pfeffer, J., 43, 104
 Polányi, K., 1
 Poortinga, Y. H., 120, 152

Porter, L. W., 93, 151, 152
 Proppé, M., 117
 Puffer, S. M., 68
 Pugh, D. S., 56, 61
 Putnam, R. D., 10, 14, 15, 41, 78, 81, 83,
 85, 87, 96, 127, 128

Q

Quinn, R. P., 24

R

Ramirez, R. R., 133
 Redding, S. G., 4, 6, 26, 37, 38, 39, 40, 45,
 50, 55, 56, 78, 81, 87, 90, 92, 94,
 127, 128, 134
 Riggs, F. W., 66, 78, 90
 Roethlisberger, F. J., 63
 Rose-Ackerman, S., 27, 111, 113
 Rosenthal, D. B., 62
 Rosenthal, R. A., 24
 Rotter, J. B., 86
 Rowan, B., 130
 Roy, W. G., 120
 Rubin, J. Z., 107
 Ruderman, M., 80

S

Sabel, C., 36
 Salancik, G. R., 43, 92, 104
 Sayles, L. R., 63, 115
 Schein, E. H., 120
 Schneck, R. E., 104
 Sebenius, J. K., 108
 Seligman, M. E. P., 24
 Shapiro, S. P., 27, 34
 Silverman, D., 62
 Simis, K. M., 17, 68, 69, 78, 83, 85
 Sit, V. F. S., 39
 Smelser, N. J., 2, 14, 18
 Smircich, L., 120
 Snoek, J. D., 24
 Sommer, S. M., 68
 Stark, D., 17, 19, 21, 24, 25, 26, 53, 67,
 102, 104
 Steers, R. M., 93, 152
 Stogdill, R. M., 127

Sunstein, C. R., 121
Sweeney, P. D., 80, 93
Szatkowski, M., 117

T

Tang, S. F. Y., 108
Thibaut, J. W., 80
Thompson, J. D., 23
Thornton, G. C., 62
Tocqueville, A. de, 8, 10
Toennies, F., 14
Tripoli, A. M., 151
Trompears, F., 120
Tsang, E., 39
Tsui, A. S., 151
Turner, C., 56, 61
Tyler, T. R., 59, 80, 90
Tylor, E. B., 121

V

Vaksberg, A., 30
Van Creveld, M., 13
Van de Vijver, F. J., 120, 152
Varese, F., 42
Voslensky, M., 17, 19, 41, 70, 78, 83, 85
Vroom, V. H., 95, 127

W

Wade, R., 28

Walder, A. G., 14, 16, 17, 19, 67, 68, 70,
78, 83, 85, 88, 101, 104, 113,
116, 126
Weber, M., 2, 8, 10, 14, 28, 57, 59, 61, 62,
68, 75, 80
Welsh, D. H. B., 68
Westwood, R. I., 108
Whitley, R., 52, 53
Wilson, J. Q., 58
Wilson, R. W., 67
Wolfe, D. M., 24
Wolfson, K., 108
Wong, S. L., 39
Wu, C., 39
Wu, Y. L., 39

X

Xin, K., 19, 45, 46, 47, 109, 148

Y

Yang, M. M., 39, 40, 50, 87, 88, 89, 101,
111, 113, 116
Yetton, P. W., 127
Yeung, H. W., 39

Z

Zeitlin, J., 36
Zelizer, S., 111
Zucker, L. G., 34, 35, 62, 78, 80, 94

Subject Index

A

- Alienation, *see* Job satisfaction
- Amoral familism, 15, 65–66, 78
- Authority relations, *see also* Ingratiation, 55–75, 78–79, 100–108, 111, 113–118, 126–127

B

- Bargaining, 7, 19, 39, 100–108, 113, 133, 135
 - and soft budget constraints, 101, 107
 - continuous, 101, 106–108, 121
- Bonuses, *see* Reward distribution/ allocation
- Bribes, *see* Corruption
- Bureaucracy, 2, 57–75, 80–81, 97, 113, 125–126
 - Bantu Bureaucracy, 66–69
 - formalistic bureaucracy, 66–69
 - pseudo-bureaucracy, 6, 57, 62–69, 74
- Business groups, 42–43, 45, 57

C

- Centralization of decision making, 6, 55–57, 74, 85–86, 124–125, 130
- Change, 122, 123, 131–136

- cultural, 8, 99, 118–119
- governmental, *see* Erratic government
- organizational, 8, 116–117, 131–135
- resistance to, 131–132, 134
- Cheating, 7, 13, 64–65, 79, 90–92, 97, 128
- China, 22, 25, 37–41, 45–51, 55–56, 81, 94–95, 109, 111–113, 118–119, 146, 148–149
- Imperial, 37–38
- Overseas Chinese, 37, 38–40
- Communally-owned enterprises, 45–47
- Communism, 2, 16–19, 21–23, 25–26, 57, 65–71, 115, 118–119
- Compliance, buying, 105–108, 113, 121
- Confrontation, 108–110
- Connections, 6, 38–41, 45–51, 53, 63–65, 67–68, 80–85, 87–88, 102–108, 111–113, 124, 126, 131
- Control, *see* Authority relations, Bargaining, Bureaucracy and Critical resource dependencies
- Corruption, 28, 56, 61, 67–68, 75, 86, 112–113, 121, 124
- Critical resource dependencies, 21–22, 43–54, 56–57, 65, 104
- Culture, 99–122, 127–128
 - change, 8, 99, 118–119
 - cultural differences, 7, 108–110
 - values, 118–122, 127–128
- Czechoslovakia, 22, 26, 71, 81, 116, 131–132, 134, 146, 148

D

Deference, *see* Authority Relations, Obsequiousness and Supplication
 Delegation, *see* Centralization
 Dependence, *see* Personal relationships
 Design, organizational, *see* Form, organizational
 Differentiated societal subsystems, 2, 14–15, 18–19, 115
 Distress, 24, 27
 Distrust, *see* Trust

E

Empowerment, employee, 6, 55, 69, 72–74, 125–126
 Erratic government, 5, 14, 20–27, 30–31, 41–53, 67–68, 102–105, 107–108, 116, 135
 Exploitation, 7, 72–74, 79, 86–90, 94–95, 124, 130

F

Face, 100, 108–110
 Facework, *see* Face
 Favoritism, 16–19, 78–79, 109, 111
 Fear, 7, 24, 36–42, 44, 55–56, 65, 78–79, 86–90, 111–115, 124–125
 Form, organizational, 6, 24, 55–75, 130
 Formalism, (written records), 25–26, 56, 61, 73–74, 80–82
 Formalistic, 62, 65–71, 75, 126

G

Gift giving, 7, 100–101, 110–113, 121
 Government Facilitation, *see* Non facilitative government
 Guanxi, *see* Connections

H

Haggling, *see* Bargaining
 Half-policies, *see* Weak Government
 Harmony, 7, 100–101, 108–110, 118, 121, 127

Hostile government, 5, 20–23, 30–31, 37–38, 107–108
 Human resources management, 7, 55, 69–71, 86
 labor and safety law enforcement, 70, 73
 personnel specialists, 70–71, 106
 policies and practices, 69–71, 94–95, 102, 105, 126
 Hungary, 18, 21, 25, 52–53, 69–71, 81–97, 101, 105–108, 114, 116–119, 131–134, 145, 147–148

I

Impersonal relationships, 13, 33, 56, 59–60, 63–65, 71–72, 125
 Impersonal transactions, *see* Impersonal relationships
 Independent organizations, 11–14
 Information, withholding, 114
 Informers, 87–88, 112, 114–115
 Ingratiation, 78, 84–86, 88, 111–113
 Insecurity, *see* Fear
 Interlocking directorates, 43–44, 129

J

Job satisfaction, 7, 24, 78–79, 89, 92, 95–97, 125

L**Law**

 codification, 13, 25, 37–38
 enforcement, 13, 27–30, 68, 81–82
 illegality, 16–19, 30, 56, 67–68, 79, 90
 legal infrastructure, 26–27, 48–49, 69
 property rights, 24–25, 38, 44, 102, 104, 108
 rule-of-law, 29–30, 69
 secret laws, *see* Secrecy
 vague, 17–18, 25–27, 50–51, 82, 104, 108
 Legal-rational authority, *see* Bureaucracy
 Legitimacy, 102–105, 113
 Lithuania, 67–68, 81–85, 90–91, 93, 94–95, 146, 149

M

- Merit principle, *see* Meritocracy
 Meritocracy, 55, 59–60, 62–75, 81, 125–126
 Modernism, 2, 14–19, 35–37, 44, 58
 Multinational enterprises, 129
 Mutual hostage taking, 6, 41, 47

N

- Negotiating, *see* Bargaining
 Neo-traditionalism, 16–19
 Nepotism, *see* Corruption
 Networks, *see* Connections
 Noncompliance, *see* Compliance
 Nonfacilitative government, 11–31, 35–37, 42–44, 48–54, 64, 70–72, 74–75, 77–80, 87–89, 94, 100, 110, 112–113, 123–124, 128–129, 135–136

O

- Obsequiousness, 7, 78, 85–86, 97, 100, 109, 124, 130
 Office selling, *see* Patronage
 Officials, governmental
 arbitrary, 26–51
 dependence on, 22–23, 25, 42–53, 56, 75, 112
 discretion of, 25–27, 37–38, 49–50, 60–61, 67, 81
 predatory, 28, 37–38
 Organizational behavior, 38–42, 45–53, 72–122, 124–130
 Organizational commitment, 7, 74, 79–80, 92–94, 97, 125

P

- Particularism, 16–19, 64, 78, 80–85, 134
 Passivity, 7, 101, 114, 116–118, 121, 126–127
 Paternalism, 7, 101, 113, 115–116, 118, 121, 126–127, 132–133
 Patronage, 17, 28, 65, 87, 116
 Performance, 55–75, 79–85, 125
 goal attainment, 60, 62, 71–72

- job performance, 61–62, 64, 71–72, 80–85, 91
 performance objectives, 56, 68, 70–72, 80, 104
 performance-focused organization, 55–75, 80, 89
 Personal relationships, 6, 19, 33–54, 63–65, 68, 80–82, 88, 96
 asymmetric dependence, 16–18, 69–70, 100, 109–113
 building, 85–86, 112, 115, 124, 131
 business based on, 38–39, 48–51
 dependence management, 38–53, 43–54, 109–110
 dependence on, 6–8, 22, 38–54, 78, 84–85, 93, 100, 109–110, 120–122
 for information, 42–44
 for protection, 28–29, 42, 44–54, 65
 mutual interdependence, 41, 44, 53–54, 87, 100
 organizing based on, 6, 34–54, 63–75, 80–85, 92–97, 113–118, 123–127, 133–135
 undermine meritocracy, 71–72, 80–85
 use for competitive advantage, 42–43, 49, 103
 Personnel, *see* Human resources
 management
 Politeness, *see* Face
 Political objectives, 12, 48–49, 57, 67, 70, 72–74, 101, 105
 Power, 62, 64–65, 69, 72–75, 85–86, 94, 100, 102–105, 107
 alternatives and, 100, 102, 107
 balanced, 100, 102, 105, 107
 clarity and, 85, 104–106
 influence, 64–65, 72–75, 103, 105, 113–118, 126
 Predictable government, *see* Erratic government
 Procedural justice, 7, 64, 80–82, 90–93, 97
 Protection, 42, 46–51, 56, 60, 64–65, 70, 72–74

R

- Regulations, *see* Law
 Relationship-based organizing, *see* Personal relationships

Responsibility, avoidance of, 117–118
Reward distributions/allocations, 70,
80–85, 87, 90–92, 97, 105–108,
113, 118
Role ambiguity, 24, 27, 102
Rule-breaking (Law-breaking), 7, 66–67,
90–92, 112, 115

S

Secrecy, 25, 56, 65, 70, 85, 87, 111–115,
130
Size, organizational, 56–57, 74, 124
Stress, *see* Distress
Strong government, *see* Weak government
Supervisor-subordinate relations, *see*
Authority relations
Supplication, 79, 85–86
Supportive, government, *see* Hostile
government

T

Tension, *see* Distress
Threats, 37–42, 46–51, 87–90, 94–95, 100,
102–108
Traditionalism, 14–19
Transition, political and economic, 19,
25–29, 45–46, 101, 104–107,
128, 135–136

Trust, 6, 7, 34–54, 65–66, 78–79, 80,
86–90, 94, 97, 113–115, 121,
124–125
betrayal, 34, 40
characteristic-based, 35–37, 41
impersonal, 6, 33–37, 44, 66, 71, 80–81
institutional, 34–37, 63
personal, 34–37, 39–54, 66, 71–72
process-based, 35–57, 41

U

Unpredictable government, *see* Erratic
government

V

Vulnerability, *see* Fear and Personal
relationships

W

Wariness, 7, 37–41, 50, 53–54, 56, 79,
86–90, 94
Weak government, 6, 14, 20, 27–31,
37–38, 42, 45–46, 60, 73,
104–105, 107–108, 112–113