

LEGAL/RATIONAL AND TRADITIONAL MANAGEMENT: EMPIRICAL COMPARISON OF PRACTICES
IN SAUDI ARABIA AND THE UNITED STATES

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ABSTRACT

The reported organizational practices of 266 managers in Saudi Arabian and American governmental and business organizations were used to test three hypotheses about the relative impact of national cultures on management practices. Saudi Arabian organizations were hypothesized to be managed using practices that were relatively closer to Weber's Traditional Authority and less influenced by Legal/Rational or Bureaucratic practices than comparable American organizations. In addition, governmental organizations were expected to operate relatively closer to their respective societal ideals than would business organizations. All Saudi managers reported less formalization, more non-merit criteria in personnel decisions, and greater nepotism than did American managers from business and government. Further, Saudi governmental managers were significantly more likely to use these practices than were the Saudi business managers. These patterns held even when controlling for the extent to which Saudi managers worked with Westerners, suggesting that the use of more traditional organizing practices was an informed choice.

INTRODUCTION

That research on the management of organizations has been dominated by the settings and assumptions of the United States is acknowledged by all. The low visibility of non-American theory and research has been decried by researchers throughout the world. Here it is suggested that if our understanding of organizations is to become international in scope we must focus on theoretical and empirical work that is truly centered cross-culturally. Rather than replicating dated American-centered paradigms in non-American settings (or preaching against the practice), we need to develop a theoretical understanding of the international context, in which the Western perspective is only one among many, and then subject those ideas to rigorous empirical test. The present paper reports an initial attempt to do so.

The cultural context and governmental organizations

If research and theory concerning business organizations is dominated by an American perspective, the study of public-sector organizations is overwhelmingly culture-specific. For example, Americans such as Allison (2), McCurdy (9), and Bozeman (5) have debated the extent of the meaningful differences between government and business organizations. Allison argues that government bureaucrats can directly contact their allies on Congressional committees to subvert their supervisors' commands. They can also undermine their hierarchical superiors by "leaking" discrediting information to the press. Further, civil service protections that were developed to prevent elected officials from using governmental organizations to maintain themselves in offices also use fewer performance-contingent employee incentives (12). McCurdy (9) counters that the majority of governmental workers--for example, clericals--work in conditions that would be virtually identical in large complex business organizations.

Unfortunately, this debate--although framed in universal terms--implicitly assumes a societal structure that is particular to the United States. Not all governments are directed by elected bodies; in fact, such governments are the minority. Not all societies have a free press. Yet these other societies have large governmental organizations, and to assume that features of American governmental organizations which are clearly particular to its own political economy are universal features of governmental organizations is a disservice to public organization theory.

Further, governmental organizations provide a particularly attractive setting in which to study the organizational effects of different cultures. Not all countries have large locally owned business corporations, but all countries must provide basic governmental services. In addition, Bozeman (5) suggested that governments tend to represent their society's values to a greater extent than private businesses do. This is because members of society view their governments as representing and reflecting their values to a greater extent than they do their businesses. Thus, the American civil service protections of due process, as well as traditions of open dissent, have had a relatively greater influence on governmental organizations than on business practices. Since governmental organizations more closely reflect their society's ideals than do businesses (who must meet the needs of those, often foreigners, who supply their capital), we would expect to find the greatest cross-cultural organizational differences in governmental organizations.

Assessing cultural variations in organizational practices

The present study is a comparison of governmental and business organizational practices in the Kingdom of Saudi Arabia with those in comparable American organizations. This report includes an analysis of new scales developed to try to reliably assess organizational practices in traditional societies, as well as direct comparisons of organizational practices in these different societies.

Saudi Arabia is a particularly appropriate country in which to compare the effects of culture on organizational practices. It is a society with large governmental and private organizations explicitly operating according to Saudi values and traditions (1). It provides a clear contrast to American society, which is dominated by what Weber (14) called bureaucratic authority: the universal application of rules or law, positions according to merit, promotion based on individual performance, and clear rules governing the limitations of authority. Consistent with the expectation that governmental organizations would closely reflect these values, Rainey (13) found that American governments had greater formalization and less managerial flexibility than did comparable businesses. As the only empirical comparison of government and business organizations, Rainey's study provides a

useful point of departure for the present study.

In contrast to the organizational assumptions of Americans, the Kingdom of Saudi Arabia is governed by a structure akin to what Weber (14) characterized as traditional authority structures. It is an hereditary monarchy, which retains final judicial, legislative, and executive powers, exercised within the legal framework prescribed by the Qur'an (10). Organizationally, rights and responsibilities are allocated among Saudi citizens who represent their families according to their social rank and qualifications in the society. Of course, the kingdom, like all traditional societies, cannot afford to completely ignore individual fitness for organizational positions. Therefore, in practice, positions are obtained through a mix of both individual merit and family position. The most prominent example occurs in the royal family: only men from this extended family are eligible to become king, but the most qualified one is chosen to be king (as judged by ranking male family members). Similarly, traditional societies raise individuals (or more precisely, their families) who have contributed exemplary service to the kingdom; and this elevation is expected to be passed on to descendants. Thus, as Bell (3) suggested, the system recognizes merit and is dynamic, but at any point in time the system is organized on the basis of social relations among families that is rooted in the historic contributions of lineage groups.

The Saudi view of the national interest provides another illustrative contrast between American and Saudi assumptions. The Saudi national interest is not viewed as the result of the clash of competing interests. Rather the objectives of the king are the national interest, by definition. Interests are not seen as competitive, but rather the well-being of each family depends on the well-being of the kingdom as a whole. As individuals and individuals' interests are emphasized in the United States, the family is emphasized in Saudi Arabia. Therefore, despite the fact that the government of Saudi Arabia has a professional full-time governmental workforce organized into ministries and departments, participants' expectations should reflect the traditional authority of their society rather than the legal/rational principles that are relatively more characteristic of American organizations. Saudi business organizations, since they share these same traditional expectations, would likewise be expected to operate according to these traditional organizing principles.

H1: Saudi managers in all sectors will report significantly more traditional and significantly less bureaucratic organizational practices than American managers.

Yet within the kingdom, private business organizations should be relatively more influenced by conventionally western bureaucratic principles than the governmental organizations. This is because their concern for profits will lead the managers of business organizations to be more concerned with the efficiency that meritocratic principles can bring. In addition, many private Saudi businesses have American and Western European venture partners and customers. They, therefore, would be expected to experience pressures from these task environment organizations to be more compatible with them (7). However, we do not believe that "amount of Western contact" is the major factor leading to relatively more bureaucratic practices in Saudi businesses. That is, Saudi managers do not run their organizations according to relatively more traditional principles because they don't know how to run their organizations bureaucratically; rather, they have made a conscious choice intended to express their cultural preferences. Differences in organizational practices are the result of an explicit balancing of personal preferences and environmental pressures, not from a lack of knowledge or "level of development."

H2: Saudi governmental managers will report that their organizations are characterized by relatively more traditional and less bureaucratic practices than will Saudi business managers.

H3: After controlling for direct contact with foreign coworkers, Saudi governmental managers will report that their organizations are characterized by relatively more traditional and less bureaucratic practices than will Saudi business managers.

METHOD

Sample and procedure

Questionnaires were distributed to governmental and business managers in Saudi Arabia and the United States personally by the first author in 1987. Two hundred and forty questionnaires were distributed to the managers in the Saudi ministries serving agriculture, health, finance, posts and telecommunication, and education; 164 (68%) useable responses were received from the Saudi governmental managers. Ninety Saudi business managers representing agricultural products, basic industries, real estate, hospital, resort, and financial firms were asked to participate, with 58 (64%) returning useable questionnaires. There were no differences across managerial level or organization in response rate. In the United States, questionnaires were distributed to federal managers working in three agencies and managers in industrial and financial companies in Washington, D.C. Forty-four (34%) useable questionnaires were returned by governmental and business American managers. The disappointing response of the American managers precludes confident generalization from their responses. However, their responses were retained in the present report because they provide a suggestive (if exploratory) comparison group for Saudi managers.

Measures

All of the variables are multi-item scales constructed from questionnaire items. Saudi managers received an Arabic version of the instrument. The questionnaire was constructed first in English (the bureaucratic practices items were taken from an English language instrument developed by Rainey). The English-language questionnaire was professionally translated in Saudi Arabia. The translated questionnaire was reviewed by the first author and another professional translator with significant experience working for the Saudi government to insure that terminology corresponded to that used by the target population. The three held several rounds of meetings to perfect the translation, with final decisions made by the first author.

Bureaucratic practices. Measures of the extent to which bureaucratic principles govern organizational practices are widely available. In the present study, Rainey's (13) items were adopted, because they were used in the only available empirical governmental and business comparison. Unfortunately, however, Rainey's original nine scales did not achieve acceptable levels of reliability in the present sample. Since he did not report the scale reliabilities for his sample, it is not known whether the scales themselves were weak or whether something in the translation and administration in a different country led to problems specific to this sample.

TABLE 1
QUESTIONNAIRE ITEMS COMPOSING THE SCALES

Bureaucratic Practices

Formalization

Because of the rules here, promotions are based mainly on performance.

Even if a manager is a poor performer, formal rules make it hard to remove him from the organization.

Producing low quality work decreases my chances for promotion.

If a manager is particularly effective, it is easy, under the rules, for his superior(s) to reward him with higher pay.

Goal Clarity

The organization for which I work has goals which are clearly defined.

It is easy to give a precise explanation of the goals of my organization.

Doing high quality work makes me feel I am developing my abilities.

Traditional Practices Scales

Job is Personal Property

Sometimes those who hold jobs in this organization act as if the job is their own "personal property."

Cross-departmental coordination is very poor in this organization.

Too many in this organization withhold information from other departments.

Whenever I need information from another department, I always get good cooperation from them. (N)

There are clear limits on the actions of members of this organization. (N)

Non-Merit Evaluation Criteria

In general, it is the best performers who rise to the top position in this organization. (N)

"Connection" or "who you know" is more important than job performance in getting ahead here.

Some departments in this organization seem to care more about their image than they do about clients or customers.

Pay increases are based strictly on job performance in this organization. (N)

Promotion is based solely on job performance in this organization. (N)

Nepotism

Others have used their jobs here to help themselves or their friends.

It really is standard practice in this organization to use one's position to help friends or family.

Some workers in this organization do not seem to have pride in their work.

Nepotism reduces this organization's performance.

Bureaucratic Contact

I work directly with foreign managers in this job.

I have learned a lot about management from foreign co-workers.

Rainey's original 37 items were factor analyzed (principal components with varimax rotation) using the Saudi respondents only (the small sample size precluded using the American sample for this procedure). The items loaded on 13 factors with eigenvalues greater than 1, but only the scales resulting from the first 5 factors had internal consistency reliabilities greater than .60. All questionnaire items were Likert-Type in which the respondents were asked to indicate their degree of agreement or disagreement on 5-point scales. The first scale, "Formalization," consisted of 4 items and had an alpha = .63. The items for all of the scales used in this report appear in Table 1.

The next 3 bureaucratic scales are shortened versions of widely used organizational behavior scales: role ambiguity and conflict (6) and job involvement (8). Rainey had hypothesized that governmental managers would face greater role ambiguity and conflict because of the plurality of interests served by (American) governmental organizations. However, these concepts are not directly relevant to the bureaucratic/traditional hypotheses addressed in the present paper, so they are not used. The Job Involvement scale is also difficult to integrate theoretically. Why should governmental (or traditional) managers be any less involved in their jobs than business (or bureaucratic) managers? Therefore, it is also dropped from further analysis.

Finally, the fifth scale was a version of Rainey's "Goal Clarity" scale. Clear expectations and direction are seen as a feature of organizations guided by legal-rational or bureaucratic principles. The 3 items composing this scale obtained an alpha = .61 in the present sample.

Traditional practices. There are no available scales assessing the extent to which traditional authority is used in organizations. This contrast to the extensive attention given to relative bureaucratization (4, 11) probably does not reflect traditional practices' absence from western societies (the importance of personal contacts in mobility has been widely discussed as "mentorship" in the careers literature). Rather, it may be more a reflection of the extent to which legal-rational ideals direct inquiry, particularly in the United States. This report provides the first exploratory attempt to develop paper-and-pencil scales reflecting traditional organizing practices.

Twenty-seven positively and negatively worded items were developed in several brainstorming sessions by the authors. One of the greatest challenges was the development of items that were not reactive for managers who were familiar with the western concepts of the "correct" (that is, bureaucratic) way to run organizations. Further, this sample of managers were not used to academic questionnaires and not as likely to unquestioningly accept the researchers' assertions that their responses would remain confidential.

The 27 items were factor analyzed as described above, resulting in 16 items composing 4 scales with acceptable levels of reliability. The scales are called "Job Is Personal Property" (alpha=.80), "Non-Merit Evaluation Criteria" (alpha=.78), "Nepotism" (alpha=.73), and "Bureaucratic Contact" (alpha=.61); the individual items composing each scale are listed in Table 1. The means, standard deviations, and intercorrelations among the scales used in this report appear in Table 2.

RESULTS

Hypothesis 1. Saudi managers in all sectors were expected to report significantly more traditional and significantly less bureaucratic organizational practices than American managers. The hypothesis is partially supported. The Saudi managers reported significantly less formalization than their American counterparts (2.99 vs. 3.28, p less than .01).

TABLE 2
MEANS, STANDARD DEVIATIONS AND INTERCORRELATIONS AMONG VARIABLES

Variables	X	s.d.	1	2	3	4	5	6
1. Formalization	3.12	.78	(.63)*					
2. Goal Clarity	4.00	.61	.18	(.61)				
3. Job's Property	2.86	.78	-.21	-.33	(.80)			
4. Non-Merit Eval.	2.10	.79	-.56	-.27	.39	(.78)		
5. Nepotism	3.16	.80	-.31	-.15	.40	.51	(.73)	
6. Western Contact	2.73	1.05	-.02	-.01	.06	.07	.09	(.61)

n=266

*Internal consistency coefficients in parentheses; decimals removed
r > .14, p < .01, all else nonsignificant

consistent with the hypothesis. Yet, surprisingly, the Saudi managers reported greater goal clarity than do the Americans (4.01 vs. 3.56, p less than .01), contrary to prediction. We find no differences in the extent to which managers report that colleagues considered their jobs to be personal property (2.85 vs. 2.95, ns). However, the use of non-merit criteria (2.14 vs. 1.93, p less than .05) and nepotism (3.27 vs. 2.68, p less than .01) were consistent with the hypothesis suggesting that these practices would be more prevalent in Saudi than in American organizations. Thus, 3 of the 5 tests were consistent with the hypothesized less bureaucratic and more traditional practices in Saudi than in American organizations.

Hypothesis 2. Saudi governmental managers were hypothesized to report that their organizations were relatively more traditional and less bureaucratic than would Saudi business managers. Again, this hypothesis was supported in 3 of 5 tests (see Table 3). Saudi business managers report that their organizations were more formalized, more likely to evaluate employees using performance-based criteria, and less characterized by nepotism than were their governmental counterparts. There were no significant differences between the reported goal clarity and viewing jobs as the personal property of their incumbents. These tests provide partial support for the theoretical premise that governments are more likely to be organized according to principles reflecting their societies' cultural values, while business organizations must balance these preferences with the demands of other elements in their task environments.

Hypothesis 3. Finally, it was hypothesized that it would be pressure from the task environments, rather than "learning," that would lead Saudi businesses to adopt relatively more bureaucratic and less traditional practices. This hypothesis was tested by running the 5 ANOVA tests reported above with the addition of the "Bureaucratic Contact" variable as a covariate. In fact, the Saudi business managers did report significantly greater contact with

TABLE 3

ANOVAS AND CELL MEANS TESTING DIFFERENCES BETWEEN SAUDI GOVERNMENT, SAUDI BUSINESS, AND U.S. MANAGERS' REPORTS

	SS	df	MS	F	p
Formalization					
Explained	10.40	2	5.20	8.03	.001
Residual	86.12	133	.65		
Goal Clarity					
Explained	4.99	2	2.49	6.50	.002
Residual	51.04	133	.38		
Job Is Personal Property					
Explained	.43	2	.21	.35	ns
Residual	147.20	133	.62		
Non-Merit Criteria					
Explained	16.32	2	8.16	14.45	.000
Residual	135.00	239	.57		
Nepotism					
Explained	17.26	2	8.63	14.87	.000
Residual	138.63	239	.58		
	SA Government	SA Business	US Combined		
Formalization	2.82	3.45	3.28		
Goal Clarity	4.04	3.93	3.5		
Job Is Personal Property	2.87	2.81	2.95		
Non-Merit Criteria	2.31	1.67	1.93		
Nepotism	3.37	2.99	2.68		
n	164	58	44		

TABLE 4

ANCOVAS TESTING DIFFERENCES BETWEEN SAUDI GOVERNMENT, SAUDI BUSINESS, AND U.S. MANAGERS' REPORTS CONTROLLING FOR WESTERN CONTACT

	SS	df	MS	F	p
Formalization					
Covariate	.99	1	.99	1.50	ns
Group	7.40	2	3.70	5.59	.005
Explained	8.40	3	2.80	4.23	.007
Residual	82.74	125	.66		
Goal Clarity					
Covariate	.45	1	.45	1.16	ns
Group	5.40	2	2.70	7.00	.001
Explained	5.85	3	1.95	5.05	.002
Residual	48.24	125	.39		
Job Is Personal Property					
Covariate	.74	1	.74	1.21	ns
Group	.91	2	.46	.74	ns
Explained	1.65	3	.55	.90	ns
Residual	145.970	238	.61		
Non-Merit Criteria					
Covariate	1.09	1	1.09	1.94	ns
Group	16.03	2	8.02	14.22	.000
Explained	17.13	3	5.71	10.13	.000
Residual	134.19	238	.56		
Nepotism					
Covariate	1.03	1	1.03	1.77	ns
Group	16.23	2	8.11	13.93	.000
Explained	17.26	3	5.75	9.88	.000
Residual	138.63	238	.58		

foreign co-workers than did either Saudi governmental managers or American managers (3.02 vs. 2.86 vs. 2.02, respectively, p less than .001). However, this difference in contact was not associated with any differences in organizational practices, as can be seen in Table 4. In no case did contact with foreign co-workers contribute significant explained variance in organizational practices; the effects of managing in either Saudi ministries, Saudi businesses, and American businesses reported in Table 3 are virtually duplicated in Table 4. Thus relatively less traditional and more bureaucratic organizational practices of Saudi businesses cannot be assumed to be the result of the greater contact Saudi business managers have with their more bureaucratic western partners.

DISCUSSION

Saudi managers, in both government and business, reported that their organizations were less formalized, used more non-merit criteria in personnel decisions, and were characterized by greater nepotism than did American managers from business and government. Further, the Saudi governmental managers reported that their organizations were less formalized, less merit-based, and employed more nepotism in staffing than did the Saudi business managers. These patterns held even when controlling for the extent to which managers worked with westerners, suggesting that the use of more traditional organizing practices was an informed choice, rather than the result of ignorance of bureaucratic principles. Thus, Saudi governmental organizations more closely reflected the organizing ideals of their society than did the businesses which must mediate between their ideals and the bureaucratizing pressures of members of their task environment.

The hypothesized patterns did not appear for the variables of Goal Clarity and Job Is Personal Property. For the former, we found a reversal of the hypothesized direction (Saudis report greater Goal Clarity than do Americans). It may be that this variable is not a good surrogate for degree of bureaucratization. Saudi Arabia has a comparatively small population and a more homogeneous population--ethnically and religiously--than does the United States. It is possible that goal clarity is more a function of size and homogeneity than of the extent to which organizations are bureaucratically organized.

The lack of significant differences among these three settings in the reports of use of position as an extension of one's personal interests can be explained in two ways. First, it may be that this new scale simply is not psychometrically sound. These scales have not been used in any other samples and have not been subjected to a comprehensive validation. This first attempt to assess traditional organizational practices has shown some promise, and future research in this area may help to clarify these issues. Second, it could be that there are, genuinely, no differences among these settings in the extent to which managers view themselves as individuals who may use the resources provided to them to pursue their personal interests. Weber suggested that this was a characteristic of traditional societies, but it may well be that the practice has only been forced underground in societies adopting legal/rational values.

Certainly, the pattern of results found in the present study seems to suggest that the self-reported organizational practices in these two countries may be more complex than the simple bureaucratic/traditional dichotomy originally proposed. It is hoped that this exploratory empirical study will help stimulate a richer theoretical description of the organizational practices across countries.

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