What Goals Do Business Leaders Pursue? A Study in Fifteen Countries

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Goals-in-use of successful businesspersons were rated by over 1,800 junior managers and professionals, attending evening MBA courses at local universities in 15 countries. A hierarchical cluster analysis of perceived goals divided the countries into seven clusters. The relative ordering of goals within these clusters suggested seven different archetypal business leader roles. Perceptions correlated significantly with national wealth, as well as with dimensions of national culture.

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INTRODUCTION: THE GOALS OF BUSINESS

Throughout history, people from different countries and different walks of life have traded and made productive deals while pursuing their own very different goals. Trading partners don't need to share goals and values. In international trade, differences in goals are useful to know but not an impediment.

This situation changes when businesses from different countries enter into shared operations like strategic alliances, joint ventures, acquisitions and mergers. The management of such operations needs parties to be of one mind about the goals the operation pursues. Not only do "too many cooks spoil the broth" but the success of most ventures depends on interactions with their environment; and different environments hold different expectations. Thus global companies acquiring local businesses or merging with other global companies may find themselves acting as company owner in a setting for which they are ill prepared. Their new host countries present them with different expectations about the goals they will pursue, which does have profound implications for their relationships with local stakeholders like co-owners, shareholders, employees, unions, customers, suppliers and authorities.

In spite of their increasing frequency, international ventures do not have a high success rate. Strategic alliances, if they do not already break down in the negotiation stage, often fall short of their promises. Joint ventures remain costly drains on resources and eventually disappear. International acquisitions are resold. Mergers announced with great enthusiasm crash after some years, leaving a trail of broken careers and even ruined personal health of major proponents.

At the time such deals are concluded, those responsible think too often in terms of size and price only, showing naïve optimism about the execution of their decision. While integrating people and operations from different countries is a difficult task, it can be and has been done successfully where the goals pursued were clear to everyone. When this is not the case, where leading persons involved hold different implicit goals, attempts at integration at lower levels will fail and the new venture is almost certain to get into trouble. Such fundamental goal disparities often go unrecognized or remain taboo. We believe this is a main reason for the failures and disappointing results in international ventures.

THE NATIONAL COMPONENT IN BUSINESS GOALS: A REVIEW OF THE LITERATURE

The risks and disasters of international ventures have been known for decades. The road to internationalization is lined with wrecks. The management literature prefers describing successes rather than failures, but business sections in daily newspapers continue to announce broken dreams. Some of these have been studied in depth (Grunberg, 1981; Mann, 1989; Olie, 1996).

One hurdle to be overcome is different traditions of corporate governance. Equally developed and sometimes neighboring countries maintain very different ownership and governance systems, with little sign of convergence. Pedersen and Thomsen (1997), studying the ownership of the 100 largest business corporations in each of 12 European countries, reported that in Britain 61% of the 100 largest companies had many small shareholders, in Austria and Italy no large companies at all had this ownership type. Such differences are evidently historically rooted but they are maintained by different conceptions about the goals of business. These conceptions are part of national value systems, which belong to national cultures (Hofstede, 2001). Semenov (2000) analyzed differences in economic governance among 18 developed Western countries and proved direct links between systems of governance and Hofstede's (1980) original four cultural value dimensions of Power Distance, Uncertainty Avoidance, Individualism and Masculinity.

Kogut and Singh (1988) developed a measure of cultural distance between countries based on Hofstede's dimension indices. Their measure has become popular in studies of international business, for explaining differences in levels of investment abroad and in mode of entry (like greenfield, joint venture or acquisition), but also for explaining differences in success rates. Li and Guisinger (1991) found that foreign entries in the U.S.A. from culturally distant countries were more likely to fail than were those from culturally close countries. Barkema, Bell and Pennings (1996) analyzed survival rates of foreign entries by Dutch companies and found these to decrease with cultural distance, but more for joint ventures and acquisitions than for greenfield starts, and more for partly owned than for wholly-owned subsidiaries. They explained this by the need for "double-layered acculturation" in the riskier cases. Barkema and Vermeulen (1997) in an extended set of Dutch foreign entries found the failure rate of joint ventures to be related to differences in Uncertainty Avoidance and to Hofstede's new fifth dimension of Long Term Orientation. Luo (1999) found the performance of foreign joint ventures in China to be negatively associated with the cultural distance between the partners. A dissenting voice was heard from Morosini, Shane and Singh (1998), who in a set of foreign acquisitions into and from Italy found the acquired companies' sales growth in the two years after the acquisition to be positively related to the cultural distance of the partners. They suggested that the variety may have led to synergy. As the different studies used different success criteria, their results are not fully comparable. In the majority of cases, cultural differences seem to spell trouble.

The literature on *business ethics* shows extensive proof of the influence of nationality on values, that is feelings of right and wrong. For example, Schlegelmilch and Robertson (1995) showed that both country and industry affected the ethical perceptions of senior executives in the U.S.A. and European countries. Nakano (1997) found that Japanese and U.S. managers differed strongly in their ethics orientations. McDonald and Kan (1997) demonstrated differences in ethical perceptions between expatriate and local managers in Hong Kong. A worldwide survey of business ethics by Enderle (1997) reported significant country differences. Whitcomb, Erdener and Li (1998) showed differences between Chinese and U.S. managers in scenario-based ethical decision-making exercises. Baker and Veit (1998) compared North American and Pacific Rim (i.e., Hong Kong, Japan, Singapore and Thailand) nations and found differences in the ethical principles of investment professionals. Priem, Worrell and Walters (1998) showed differences in moral judgment between respondents from rich and from poor countries. Stevenson and Bodkin (1998) even found significant differences in a cross-national comparison of U.S. and Australian university students' perceptions of right and wrong in sales practices.

Cross-national differences in business goals can also be traced in comparative studies on entrepreneurship, in spite of common traits of entrepreneurs across borders (McGrath and McMillan, 1992). Baum, Olian and Erez (1993) contrasted the needs of entrepreneurs and managers in Israel versus the U.S.A. Holt (1997) found both similarities and consistent differences between the values and behaviors of entrepreneurs in China and the U.S.A. Wildeman, Hofstede, Noorderhaven, Thurik, Verhoeven and Wennekers (1999) reported large differences in the levels of self-employment across 23 OECD countries, and related these to the goals of persons in these countries starting their own business.

Many comparative studies have shown cross-national differences in individuals' values (England, 1975; Hofstede, 1980, 1997, 2001; Schwartz, 1994; Smith, 1996). These affect people in business as much as anybody else. For example, they affect what is considered fair compensation (Pennings, 1993; Hundley and Kim, 1997). They also affect concepts of desirable leadership traits (e.g. Koopman, Den Hartog and Konrad, 1999).

On the other hand forces of globalization of business, modern communication services, ease of transportation and international education could reduce the importance of local and national cultures, as suggested by, for example, Kumar and Thibodeaux (1997) and Salk and Brannen (2000). Being exposed to similar business contexts, business people in different countries might increasingly start embracing similar goals.

The present study, based on data about the goals of business leaders collected in the later 1990s, will show to what extent this "shrinking world" has wiped out effects of national cultures, or whether persistent national cultural differences have so far survived globalization.

METHOD AND DATA

The shortest way towards finding out about the goals of business leaders would be to ask them. Many of the studies of business ethics cited above have followed this strategy. We chose another approach, not only because of the obvious problems of access to a sufficient number of business leaders, but also because we did not want to fall into the trap of equaling "what they say" with "what they do," (Deutscher, 1973) or of taking "espoused theories" for "theories in action" (Argyris and Schön, 1974). "Integrity" was one of the espoused and widely announced Corporate Values of Enron! Our strategy was to use the shared perceptions of well-informed third persons: Junior managers and professionals working during the day and attending evening MBA classes at local universities. Of course the perceptions we measured were in the eyes of the beholders; but these beholders were cultural insiders, sharing the national cultures of the business leaders they reported on.

We believe our strategy led to a more realistic description of business leaders' goals than direct questioning of the actors would have produced. We avoid the "self-serving bias," which self-descriptions unavoidably produce. When asked about our own motives most of us will implicitly answer as we think these motives should be, not as they operate in our behavior. Nobody will know a business leader's "real" goals, not even the actor her/himself; talking about "real" goals is an idealistic fallacy. March and Olsen (1976) used the "garbage can" metaphor for processes of decision making in organizations. In analogy, the process of goal selection by business leaders is another garbage can process, in which many influences get mixed. Goals will vary between individuals, based on their personality, education, age, prosperity and experience. Hall and Williams (1998), for example, found distinct differences in the business value perspectives of U.S. marketing versus finance managers. But even for the same individuals they will fluctuate and shift over time under the influences of political, economic and market pressures. What we were after was to see what national components these goals, as perceived by insiders, contained.

Our data were collected with a standard "Questionnaire about Business Goals," developed by the first author at the University of Hong Kong, where he taught evening MBA classes in the Fall of 1995. The issue of differences in values and ethics of business, comparing East with West, was very topical in Hong Kong at that time (as testified by the publication of the reader "Whose Business Values?", (Stewart and Donleavy, Eds., 1995). Discussions in class with the students, young and mature Hong Kong Chinese adults with full-time day jobs, focused on the goals and values of entrepreneurs and other businesspersons, and there was an evident variety of perceptions. Scanning the management literature, collecting suggestions from students, and adding the author's personal experience of 20 years in business produced a list of 15 different relevant goals. These were put in questionnaire format, and respondents were asked to score their importance twice. First, how important they thought each of these goals was for "the typical successful businessperson in Hong Kong"; next, how important each goal would be for them personally, supposing they would "be a successful businessperson in a few years." Importance was rated for each goal separately, on a 5-point scale from "of utmost importance" to "of very little or no importance." The mean scores for the total group were discussed in class. The questionnaire offered an option of writing in additional goals, but this was rarely used; the list was considered reasonably exhaustive.

In subsequent years colleagues at 20 other locations around the world administered the same questionnaire to their local evening MBA students, referring to "the typical successful businessperson *in your country*," and again to the respondents personally. Eighteen of the locations used the original English language version; three European countries (France, Germany, Netherlands) used careful translations checked by the first author. Intermediate comparative analyses for six and 11 locations, respectively, were presented at conferences. The present paper compares 21 groups from 16 universities, with students from 15 countries. They are listed in Table 1.

The total number of respondents was 1,814. For all groups but one, only students born and raised in the country of study were included in the comparison. The classes studied contained some immigrant and expatriate students, but if grouped by country of origin they did not produce cell sizes over 20, which we chose as our minimum for analysis. The one exception was formed by expatriate students from mainland China, of whom a group of 23 could be composed, studying at four U.S. and one Australian university. Moreover, at the University of Hawaii (U.S.A.), the 61 respondents were divided into 30 ethnic Caucasians (Europeans) and 31 ethnic Asians, including some Pacific Islanders and persons of mixed ancestry. Business roles in Hawaii are unevenly divided over ethnic groups, which suggests that business orientation may be related to ethnic origin. As Table 1 shows, the size of the 21 groups (from one country or ethnicity

TABLE 1
NUMBERS OF RESPONDENTS FROM 21 COUNTRY/UNIVERSITY GROUPS

Respondents	Country	University
93	Australia (AUL)	R.M.I.T. Melbourne
38	Bahamas (BAH)	Nova Southeastern U.
96	Brazil (BRA)	Fundaçao Dom Cabral, Belo Horizonte
23	China except Hong Kong (CHI)	R.M.I.T. Melbourne U. of Hawaii Ball State U. (Indiana) U. of Colorado-Boulder U. of N. Florida
190	France (FRA)	I.A.E.'s Paris, Grenoble, Lyon, Montpellier, Strasbourg
84	Germany (GER)	European Business School
42	Great Britain (GBR)	Henley Management College
101	Hong Kong (HOK)	U. of HK. Business School
105	Hungary (HUN)	International Mgmt. Center
99	India (IND)	Goa Institute of Mgmt.
45	Jamaica (JAM)	Nova Southeastern U.
110	Netherlands (NET)	Tilburg University
72	New Zealand (NZL)	University of Auckland (AUK)
34	New Zealand (NZL)	Henley Management College (HEN)
65	Panama (PAN)	Nova Southeastern U.
148	USA	Ball State U., IN (BAL)
191	USA	U. of Colorado (COL)
115	USA	U. of North Florida (FLO)
102	USA	St. Louis U., MO (SLU)
30	Hawaii-Caucasians (USH-CAU)	University of Hawaii
31	Hawaii-Asians (USH-ASI)	University of Hawaii
1,814	ALL COUNTRIES	ALL UNIVERSITIES

and/or one university) ranged from 23 to 191.

The 21 respondent groups varied in gender composition and age distribution. The first author's research on values had shown that answers on this type of value-related questions could vary significantly between genders and age categories. For the comparison of country/university groups the influence of gender and age had therefore to be controlled. This was done by basing the group scores for each goal on the means of four subgroups, which were given equal weight: All women, all men, all respondents over 30 and all respondents up to 30. If a subgroup contained fewer than ten respondents, it was supplemented up to the number of ten with scores extrapolated from the opposite gender or opposite age category, by adding or subtracting the score difference for this goal between genders or age categories in the total population.

Comparisons between groups were based on the *relative* importance of each goal versus the other 14 goals in the questionnaire. This was done by computing *standard scores* across the 15 goals. The standard score (or Z-score) is the mean score for the single goal minus the overall mean across the 15 goals, divided by the standard deviation of the 15 mean scores around their overall mean.

This eliminates response set, that is the tendency in a group to rate all goals less or more important, or less or more extreme. On scales of "importance" which have no natural mid-point, standardization is essential for making scores comparable across groups. Otherwise the comparisons will be based on response set tendencies rather than on rated importance. "Importance" is by its very nature a relative concept; it only becomes meaningful by comparison with something else.

RESULTS

Comparing "Tycoon" with "Self"

Table 2 shows the 15 goals in their overall order of importance across all 21 country/university groups, giving equal weights to both genders and both age categories. The "tycoon" column refers to the "typical successful businessperson in your country" and the "self" column to the goals claimed for oneself. Low ranks and positive scores stand for "more important."

The comparison between "tycoon" and "self" shows that:

1. Growth and continuity of the business are the leading goals both for tycoon and for self, but more strongly for the tycoon.
2. This year's profits, personal wealth and power were rated as very important for the tycoon, but less so for the self. "Power" is the goal for which the scores show the largest difference between tycoon and self.
3. Creating something new, profits 10 years from now, staying within the law, responsibility towards employees, respecting ethical norms and responsibility towards society were rated important for the self, but less for the tycoon.
4. Gambling spirit, patriotism and fam-

TABLE 2
MEAN RATED IMPORTANCE OF 15 BUSINESS GOALS ACROSS 21 COUNTRY/ UNIVERSITY GROUPS

(standardized data; rank 1 = most important)

	For Tycoon		For Self	
	Rank	Score	Rank	Score
growth of the business	1	1.26	1	1.00
continuity of the business	2	1.05	2	.86
this year's profits	3	1.01	9	.26
personal wealth	4	.83	10	.08
power	5	.68	12	−.62
honor, face, reputation	6	.47	7	.48
creating something new	7	.21	6	.49
profits 10 years from now	8	.15	5	.56
staying within the law	9	−.12	4	.59
responsibility towards employees	10	−.30	3	.64
respecting ethical norms	11	−.52	8	.30
responsibility towards society	12	−.82	11	−.06
game and gambling spirit	13	−1.09	14	−1.57
patriotism, national pride	14	−1.26	13	−1.28
family interests	15	−1.56	15	−1.73

ily interests were ranked lowest for both tycoon and self.

So the average respondent felt that: ***My*** priorities will be with being responsible towards employees, staying within the law and focusing on the long term, but my country's "tycoons" are mainly after the short term, wealth and power. We interpret this as a self-serving bias which is a common trait of human perception: Seeing one's own motives as noble, but other people's motives less so. Among business persons in the U.S.A. the same phenomenon has been shown in a classic survey study by Baumhart (1961), confirmed in a follow-up 16 years later by Brenner and Molander (1977). The self-serving bias was one of our reasons for preferring perceptions by third persons over self-descriptions, and our own data prove the justification of our preference.

Further comparisons in this paper between countries and universities will obviously be based on the scores for "tycoon," not on the biased "self" scores. Humans are better judges of others than of themselves, and we were interested in (perceived) goals of present business leaders rather than in future expectations of present MBA students.

Country/University Clusters

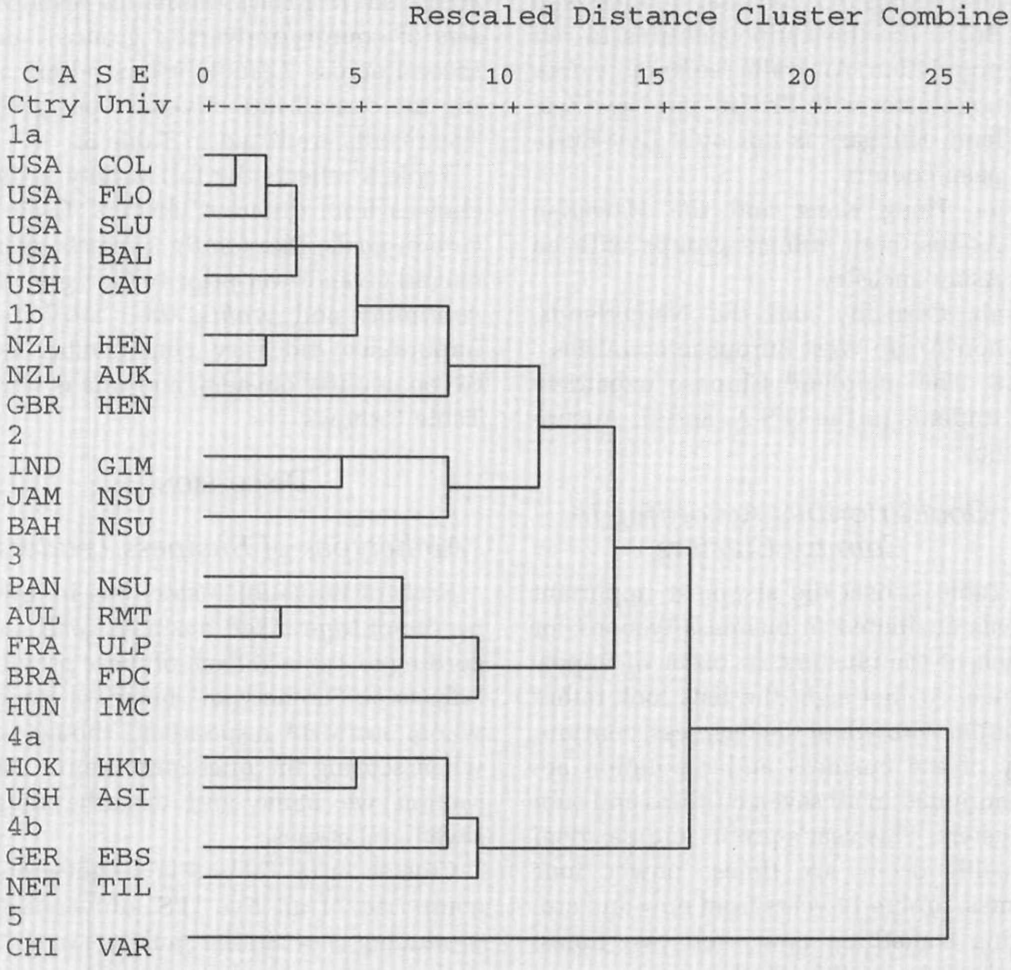
The present article focuses on the comparison across country/university groups. The analysis was based on the standardized scores on the 15 goals for the "tycoons" as produced by the respondents in the 21 groups, balanced (as described above) for equal representation of women and men, and of older and younger respondents. The gender and age effects on perceptions are in themselves interesting, but outside the focus of the present study; they will be treated in a separate publication. Similarities and differences among country/university groups were studied through a Hierarchical Cluster Analysis (available in the SPSS package), which shows the proximity of the groups on the basis of their scores. It produces a "dendrogram" ("tree diagram") reproduced in Table 3. The "rescaled distance" horizontal scale indicates the relative distance between the scores.

In the dendrogram we read that the two U.S. universities of Colorado and North Florida have produced the most similar scores (one point distance on the horizontal scale). The other two mainland U.S. universities and the ethnic Caucasians in Hawaii have also produced quite similar scores: The five U.S. universities form one close cluster with no more than three points mutual distance.

The two New Zealand groups also produced very similar scores, as shown by their tight clustering. None of the other groups share the same nationality, and none of them produced clusters as tight as the U.S. and New Zealand groups did. So the dendrogram proves that respondents from the same *countries* scored more similarly than those from the same *universities* (like the Henley Management College groups from New Zealand and Great Britain and the Nova Southeastern University groups from Bahamas, Jamaica and Panama).

The similarity in scores between universities from the same countries proves the *reliability* of the instrument used. Reliability means that the measurements are not dominated by random noise. The reliability of rating single items from a list, like was done in our instrument, cannot be measured by tests like *Cronbach alpha* based on correlating multiple items. It can be proven by repeated testing. The five U.S. universities and the two New Zealand universities can be

TABLE 3
HIERARCHICAL CLUSTER ANALYSIS OF 21 GROUPS ON 15 BUSINESS GOALS FOR "TYCOON"
DENDROGRAM USING AVERAGE LINKAGE BETWEEN GROUPS



For abbreviations see Table 1

seen as providing independent tests on samples from the same national populations. The similarity of answers deriving from the same country proves the reliability of the goals list as an instrument for detecting country effects.

Groups from different countries also clustered, albeit somewhat less tightly than groups from the same country. If we consider groups with a mutual distance of less than ten points in Table 3 as belonging to a common cluster, five clusters remain. Two of these can be logically subdivided into political/geographical subclusters (1ab and 4ab). The clustering structure to be read from Table 3 becomes:

1a. All U.S. universities except the Asians in Hawaii.

1b. New Zealand and Great Britain.
2. India, Jamaica and Bahamas (all three former parts of the British empire).
3. Panama, Australia, France, Brazil and Hungary. Panama, France and Brazil are the Latin countries in our population. Australia remarkably does not cluster with Britain and New Zealand. Hungary is our only East European country.
4a. Hong Kong and the Hawaiian Asians, both affluent groups with an Asian ancestry.
4b. Germany and the Netherlands, non-Anglo West European countries.
5. The mainland Chinese expatriate students in the U.S.A. and in Australia.

Goal Priorities According to Country Clusters

Table 4 lists the six most important goals attributed to business tycoons for each of the clusters, in order of importance. At first sight the lists look rather similar. Growth of the business, continuity of the business and reputation are mentioned in all seven cultures and subclusters. This year's profits and personal wealth occur six times, power four times, profits 10 years from now and creating something new each two times, and staying within the law once.

This apparent similarity is due to the fact that the 15 goals in the list are of unequal weight; in the MBA education programs from which our raters derived, goals like *growth* and *continuity* have such a strong general appeal that they will figure high on any list. Other items among our 15 are more specific and produced larger differences between clusters, but this is not evident from the top six goals in Table 4.

The differences between the country clusters become more clearly visible after we eliminated the *overall* attractiveness of each goal. This was done by once more standardizing the scores, this time across the seven (sub)clusters. Our data have thus been standardized twice, first across the 15 goals (eliminating response sets of country/university groups), and second across 7 (sub)clusters (eliminating the overall attractiveness per goal). The results are listed in Table 5.

Table 5 reflects the full variety in the choices from different clusters. Even if certain goals, like *family interests*, were overall given lower priority than *growth*, *continuity* and *profits*, their attributed importance did vary considerably between country clusters, and this is what Table 5 shows.

DISCUSSION

Archetypes of Business Leaders

Each of the (sub)clusters has its own profile of top-ranked business goals, according to Table 5. Each of these profiles reflects an "archetypal" business leader whom our MBA respondents thought of when scoring the questionnaire. In this section we name and describe these seven archetypes.

Cluster 1a in Table 5 is a tight group composed of all five U.S. universities, producing very similar rankings in spite of their geographical distance (they were located in Colorado, Florida, Hawaii, Indiana and Missouri). The only U.S. citizens not in this cluster are the ethnic Asian Americans in Hawaii. In the mainstream U.S. cluster, MBA students perceived their business leaders as focusing on growth and this year's profits, on personal wealth and power, on staying within the law, and on respecting ethical norms.

These goals provide a shorthand description of the U.S. business ethos. There is a focus on the "bottom line" or

TABLE 4
SIX MOST IMPORTANT PERCEIVED GOALS OF "TYCOONS" IN EACH OF SEVEN (SUB)CLUSTERS OF COUNTRIES

Cluster 1a (U.S.A.)	Cluster 1b (Britain, New Zealand)
growth of the business this year's profits personal wealth power continuity of the business honor, face, reputation	this year's profits growth of the business continuity of the business staying within the law personal wealth honor, face, reputation
Cluster 2 (India, Jamaica, Bahamas)	
continuity of the business growth of the business this year's profits personal wealth power honor, face, reputation	
Cluster 3 (Latin countries, Australia, Hungary)	
growth of the business this year's profits continuity of the business personal wealth power honor, face, reputation	
Cluster 4a (HKong, Hawaii-Asian)	**Cluster 4b (Germany, Netherl)**
growth of the business personal wealth continuity of the business creating something new honor, face, reputation profits 10 years from now	continuity of the business growth of the business creating something new honor, face, reputation this year's profits personal wealth
Cluster 5 (China)	
growth of the business continuity of the business power honor, face, reputation this year's profits profits 10 years from now	

short term, and getting bigger is almost synonymous to getting better; there is a general respect for wealthy persons and wealth is considered the prime measure of success and human worth; there is a belief in power; there is a constant con-

TABLE 5
SIX *RELATIVELY* MOST IMPORTANT PERCEIVED GOALS OF "TYCOONS" IN EACH OF SEVEN (SUB)CLUSTERS OF COUNTRIES

Cluster 1a (U.S.A.) "the Executive"	Cluster 1b (Britain, New Zealand) "the Manager"
growth of the business this year's profits personal wealth power staying within the law respecting ethical norms	this year's profits staying within the law responsibility twds employees continuity of the business patriotism, national pride respecting ethical norms
Cluster 2 (India, Jamaica, Bahamas) "the Family Manager"	
continuity of the business family interests patriotism, national pride personal wealth profits 10 years from now this year's profits	
Cluster 3 (Latin countries, Australia, Hungary) "the Family Entrepreneur"	
family interests personal wealth power this year's profits game and gambling spirit growth of the business	
Cluster 4a (HKong, Hawaii-Asian) "the Entrepreneur"	**Cluster 4b (Germany, Netherl) "the Founder"**
profits 10 years from now creating something new game and gambling spirit growth of the business honor, face, reputation personal wealth	responsibility twds employees responsibility twds society creating something new game and gambling spirit continuity of the business honor, face, reputation
Cluster 5 (China) "the Mandarin"	
respecting ethical norms patriotism, national pride honor, face, reputation power responsibility towards society profits 10 years from now	

cern with the law in a country with the highest per capita density of lawyers and the largest number of lawsuits in the world; and at the same time a concern with moral and ethical rectitude supported by a multitude of religious communities. All of these form part and parcel of the U.S. national culture. Much of it was already described in the notes of a French author who visited the U.S.A. in the 1830s (de Tocqueville, 1956[1835]).

As a unique term for describing the archetypal U.S. business leader reflected by these goals we chose the ***Executive.*** Executives in this case are defined as high-status and well-paid professionals in charge of a business they run on behalf of anonymous shareholders, without forgetting themselves.

Cluster 1b in Table 5 unites the U.S.A.'s Anglo cousins from Britain and New Zealand. They share the U.S. concern for *short-term profits*, *laws*, and *respecting ethical norms*, but their political and industrial environment has been marked by strong labor parties and trade unions. This accounts for the prominent place of the goal *responsibility towards employees* on their ranking, which was missing on the U.S. list. They stress *continuity* rather than *growth*, and successful business is part of their *national pride*.

As a unique term for describing the archetypal British/ New Zealand business leader reflected by this slightly different set of goals we chose the ***Manager.*** The term *manager* rather than *executive* stresses the relationship with the employees who are managed.

Cluster 2 in Table 5 contains three non-Western members of the British Commonwealth: Bahamas, India and Jamaica. Their goals extend the British stress on *this year's profits, continuity* and *patriotism* to *profits 10 years from now*. They add *personal wealth* (like the Americans) but especially *family interests*, suggesting that business leadership in these countries is associated with family companies—which, in fact, are the dominant type of local businesses. As a unique term for describing the archetypal business leader in these former British colonies we chose the ***Family Manager***.

Cluster 3 in Table 5 contains the Latin countries Brazil, France and Panama, as well as Australia and Hungary. Compared to Cluster 2 they lack the longer-term goals of *continuity* and *profits 10 years from now*. To the family business goals of *personal wealth* and *family interests* they explicitly add the goal of *power*. Here, for the first time, *game and gambling spirit* is also recognized as a prime goal of business tycoons. Australia is the only Anglo country that did not cluster with its cultural sisters. The Australian MBAs associated their country's business tycoons no longer with traditional Anglo values but rather with the more cosmopolitan values mix of the new Australians immigrated from various other parts of the world. Hungary as the only East-European country in our set also appears to fit into this values set. As a unique term for describing the archetypal business leader in this group of countries we chose the ***Family Entrepreneur***.

Cluster 4a in Table 5 combined the Hong Kong Chinese MBA's with the Asian American MBAs from the University of Hawaii. The latter, as we saw, are the only U.S. citizen group outside the tight five-U.S.-universities Cluster 1a. The combining of these two groups into one cluster is remarkable: Both reside on the margin between "East" and "West" in a part of the globe where "East" lies to the West of "West", and vice versa. They combine Eastern and Western values, usually very successfully. They take a long-term view, with *profits 10 years from now* before *this year's profits*. *Cre-*

ating something new and *game and gambling spirit* suggest a creative entrepreneurship. They are seen as focusing on *growth* rather than *continuity*, and on *face* and *wealth* for themselves. As a unique term for describing the archetypal business leader in these groups on the fringe between East and West we chose the ***Entrepreneur***.

Cluster 4b in Table 5 combines two non-Anglo European countries, Germany and the Netherlands. The goals attributed to their tycoons differ from those elsewhere by a heavy stress on the social role of the business towards *employees* and towards *society* at large. At the same time they share the creative entrepreneurship goals *creating something new* and *game and gambling spirit* and the concern for *honor and face* with their colleagues from Cluster 4a at the opposite side of the globe. They are seen as going for *continuity* rather than *growth*. As a unique term for describing the archetypal business leader in these industrial European countries we chose the ***Founder*** whose goals are more directed towards the business empire to be created than towards personal wealth or power.

Cluster 5 in Table 5 contains one single group, the combined mainland Chinese expatriate students studying in Australia and the U.S.A. The goals they attribute to their business leaders are noble: *Respecting ethical norms, patriotism, responsibility towards society.* At the personal level their rewards are seen as *face* and *power*. *Profit* goals are *10 years from now*. As an archetype for such a business leader we chose the classic Chinese ***Mandarin.***

Correlations With Culture Indices and National Wealth

The relationship between business goals and culture was tested by correlating the relative importance attached to the various business goals with the national culture dimension scores derived from Hofstede's IBM study and its extensions (Hofstede, 1980, 1997, 2001): Scores for Power Distance, Uncertainty Avoidance, Individualism, Masculinity, and Long Term Orientation. The first four IBM scores are now some 30 years old, but validations in recent large cross-national surveys proved them to be quite robust; they evidently succeeded in tapping historically stable components of national culture differences (Hoppe, 1990; Shane and Venkataraman, 1996; Helmreich and Merritt, 1998; De Mooij, 1998; Hofstede, 2001). Most recently Mouritzen and Svara (2002) published a validation of country differences in Power Distance and Uncertainty Avoidance, as originally measured within IBM in 1970, in data collected from public administrators in local governments in 14 Western countries in 1996 and 1997. Van Nimwegen (2002) validated the scores on four of the five dimensions in data collected from employees of a multinational bank in 19 countries.

Statistically significant and conceptually meaningful correlations with the Hofstede indices mean a validation of our national business goal importance scores. They show that in spite of the entirely different instruments, respondent populations, and time periods, the two approaches partly cover the same basic concepts.

Culture dimension scores from the IBM database and a later extension were available for 14 countries in the business goal study (all but the Bahamas and the Hawaii Asians). Spearman rank correlations were used in order to exclude the effect of extreme scores. They were computed for each of the 15 perceived goals of "tycoons." To the four culture dimensions we added the countries' national wealth (1998 GNP/capita) to see whether purely economical factors might make cultural considerations redundant.

Four of eight significant correlations found were with the Power Distance Index (PDI). Power Distance has been defined as "The extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally" (Hofstede, 1997, p. 262). According to Table 6 the countries' PDI scores were significantly positively correlated with the importance of *power*, of *honor, face, reputation* and of *family interests* ascribed to the tycoons, but negatively with the importance for them of *staying within the law*.

Thus in countries in which culture research projects have consistently shown that the less powerful members of institutions and organizations tend to expect and accept that power is distributed unequally, business tycoons are perceived to put higher value on *power, honor* and *family interests*, but to be less concerned with *staying within the law*. In such countries, important people enjoy more privileges, literally meaning "private laws." Being a business tycoon in such a culture is a different game from the one played in countries with smaller Power Distances.

The ascribed importance of *patriotism, national pride* was negatively correlated with national wealth (1998 GNP/capita). Successful local businesspersons were more likely to be seen as driven by patriotism in poor countries than in wealthy ones. Independently of the correlation with national wealth, patriotism was also negatively correlated with the Uncertainty Avoidance Index (UAI). Uncertainty Avoidance has been defined as "The extent to which the members of a culture feel threatened by uncertain or unknown situations" (Hofstede, 1997, p.263), and among other things it also stands for a relative distrust between authorities and citizens. It appears that respondents from strong Uncertainty Avoidance societies were less inclined to perceive business leaders as patriots.

TABLE 6
SIGNIFICANT CORRELATIONS OF GOAL IMPORTANCE SCORES FOR "TYCOON" WITH CULTURE INDICES AND NATIONAL WEALTH

14 Overlapping Countries (12 for Long Term Orientation), Country Mean Scores Controlling for Gender and Age Category, Standardized Across the 15 Goals, Rank Correlation Coefficients (Spearman)

with Power Distance Index (PDI):
- .60* Importance of "Power"
- .51* Importance of "Honor, face, reputation"
- .51* Importance of "Family interests"
- −.69** Unimportance of "Staying within the law"

with 1998 GNP/capita:
- −.69** Unimportance of "Patriotism, national pride"
- .54* Importance of "Game and gambling spirit"

with Uncertainty Avoidance Index (UAI):
- −.61* Unimportance of "Patriotism, national pride"

with Individualism Index (IDV):
- −.50* Unimportance of "Profits 10 years from now"

with Long Term Orientation Index (LTO):
- .62* Multiple correlation with the importance of "Profits 10 years from now" and the unimportance of "This year's profits"

Countries: Australia, Brazil, Britain, China (mainland and Hong Kong), France, Germany, Hungary, India, Jamaica (not for LTO), Netherlands, New Zealand, Panama (not for LTO) and U.S.A. Significance limits *.05, **.01.

The two remaining correlations relate national wealth to the appeal of *game and gambling spirit* (in a wealthy country one can afford more gambling), and Individualism negatively to the importance of *profits 10 years from now* (individualist countries were more concerned with the present).

Scores for the new fifth dimension of Long Term Orientation (Hofstede, 1997, Ch.7) were available for 12 countries (the previous set minus Jamaica and Panama). For this dimension we would expect a positive correlation with the importance of *profits 10 years from now* and a negative correlation with *this year's profits*. The correlations are in the expected direction but not separately significant (.19 with *profits 10 years from now*, -.47 with *this year's profits*.) However, the multiple correlation (based on ranks) of the Long Term Orientation Index with the two *Profits* goals together is a significant R=.62*. If business leaders in longer term oriented cultures are seen as going for profit goals, it is in 10 years and not this year.

CONCLUSION

By describing the profiles of business leader goals in the past section as 'archetypes' we have already expressed our belief in their deep historical roots. These differences are not short-term and accidental. The historical origins of national differences in management were dramatically illustrated by the French sociologist Philippe d'Iribarne (1989, 1994) who compared work floor relations in technologically identical aluminum smelters in France, the U.S.A. and the Netherlands. He related these to the social and political traditions of these countries dating from at least the 17th century and found three different basic principles: *honor* for France, the *fair contract* for the U.S.A., and *consensus* for the Netherlands.

The unique traditions of each country have been maintained in their institutions like families, schools and forms of government and they are also conserved in differences in national cultures in the sense of "software of the mind" (Hofstede, 1997), that is patterns of thinking, feeling and acting that differentiate one country from another and continue to be transferred from generation to generation.

Nobel Prize laureate Douglass North (1990), the father of institutional economics, has classified cultural factors as "informal constraints" on societies, and has put them on an equal level with formal constraints via institutions. We believe that claiming either a priority or a causality link between 'institutions' and 'cultures' is useless hair-splitting. Institutions are the crystallizations of culture, and culture is the substratum of institutional arrangements. For example, the differences found in Table 5 in the relative importance attributed to *family interests* between and even within parts of the world are reflected in the role of families in business ownership.

The results of our comparative study of perceived goals of successful businesspersons show that the national component in goals is real and robust. There are no globally universal business goals. Globalization is often more a slogan and wishful thinking than a reality. The national origin of an enterprise continues to matter; it matters precisely in one of the most profound issues in the management of the enterprise, the goals held by its leaders. An appeal to a shared rationality will not be enough. Nationality constrains rationality.

In decisions about international ventures, this fact should be taken into account more seriously than is usually the case. Parties should think twice before entering any cross-national venture, and estimate the risks and cost attached to co-operating across their national borders. If they decide to go ahead they should devote sustained top management attention and high quality resources to monitoring and managing the consequences of goal discrepancies.

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