

# MANAGEMENT STYLE DIFFERENCES BETWEEN U. S. AND ARGENTINE MANAGERS

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## ABSTRACT

Management style is a useful barometer of competitive behavior and, as such, offers an opportunity to measure and evaluate competition, confrontation, control, and cooperation in business affairs. The purpose of this paper is to present the results of an examination of comparative management styles between U. S. and Argentine managers. Research results indicate that, in reviewing differences in the four measured attributes of managerial decision style, Argentine management style is significantly different in two attributes from that of its U. S. counterpart. This is important due to the large and growing number of contacts between managers in an increasingly global environment.

## INTRODUCTION

Managerial decision styles have been discussed, debated, and argued for over half a century. In general, there seems to be agreement on the value of understanding managerial styles [1] [2] [3] [4] [5] [6] [7] and others. The styles that managers use in making decisions are seen as important in understanding an organization's deficiencies as well as its attributes [6] [8] [9] [10] [11].

This paper addresses the Rowe Decision Style Inventory (DSI) model which, after nearly thirty years, continues to be a valuable instrument in assessing intercultural managerial styles. The assessment results can serve as reliable indicators of potential opportunities and problems which may aid in facilitating the identification of potentially successful candidates for global hiring and promotion.

The present study looks at management style differences between Argentine and U. S. managers. This is particularly important when the firm is undergoing significant corporate culture change due to acquisitions and increased cross-cultural contact between managers in the same firm or between firms.

## METHODOLOGY

From the "single best style" of Taylor (1947) to the highly flexible managerial styles of Tannenbaum and Schmidt (1958), managerial decision style has long been a concern for managers. Early testing by Rowe and Boulgarides indicated that the decision-style approach was "a useful way of understanding managers, their decision making, their problem solving, their ability to interact with others in the organization, and that it is possible to match individuals to work based on decision style preferences" [4, p. 5]. Later cross-cultural testing has reconfirmed this conclusion [6].

The Rowe Decision Style Inventory (DSI) questionnaire used in this study consists of 20 items. Respondents are asked to select one of four mutually exclusive numbers, when the statement is: 1 (least like); 2 (slightly like); 4 (moderately like); and, 8 (most like) what they would do in their work environment. Each question has four statements representing one of the four decision styles (Directive, Analytic, Conceptual, Behavioral). The total score for each decision style element is summed and may be compared to the general population mean or to a

mean of any subgroup of the general population for which means exist. Descriptions of the four decision style categories follow.

**Directive**

These individuals have a low tolerance for ambiguity and focus on technical problems. They have a high need for power and prefer tangible rewards. They emphasize speed and action, use limited information, and few alternatives. They tend to be aggressive, authoritarian, and focus internally to the organization, with short-range and tight controls. They are very effective at achieving results.

**Analytic**

Typical of abstract thinkers, who have a high tolerance for ambiguity, use considerable information, and are very careful in the examination of alternatives. They tend to optimize problem solutions and enjoy challenges. They often reach top posts in their companies and are innovative in their solutions to problems. They prefer written reports and look for variety in their work.

**Conceptual**

Because of their high cognitive complexity and people orientation, individuals of this type want elaborate treatment of problems and consider many alternatives. They are broad thinkers who take a systems perspective and are future oriented. They value quality, prefer openness, and shared goals with subordinates. They are highly creative, have a high organizational commitment, and enjoy interacting with others. They are high achievers, needing praise and recognition. They tend to be very independent and refuse to be pressured, preferring loose control to power.

**Behavioral**

This style has a deep concern for fellow employees and a strong need for affiliation. They are supportive, good listeners, receptive to suggestions and communicate easily. They exhibit warmth and will accept loose control. They prefer meetings to reports and do not use much data in arriving at decisions. Their focus tends to be people oriented with short-range goals [9].

Boulgarides and Oh (1984) reported on an application of the Rowe-Boulgarides DSI to analysis of the differences in decision styles of U. S., Japanese, and Korean managers [12]. Partial results are indicated in Table 1.

**TABLE 1. COMPARISON OF U. S., KOREAN, AND JAPANESE DECISION STYLES**

	DIRECTIVE	ANALYTIC	CONCEPTUAL	BEHAVIORAL
U. S. Managers n = 71	78	86	75	61
Korean Managers n = 14	75 (-3)	80 (-6)	80 (+5)	65 (+4)
Japanese Managers n = 14	71 (-7)	76 (-10)	85 (+10)	68 (+7)

Source: Adapted from [12, p. 7].

Despite the small sample size of the Korean and Japanese groups, it is obvious that there are substantial differences between the U. S. and Japanese decision styles and a lesser difference between the Korean and U. S. decision styles [12] [13]. Differences are indicated with parentheses in Table 1. U. S. managers are strongest in Analytic and Directive styles and weakest in Conceptual and Behavioral styles [12].

## HYPOTHESIS

Previous studies established that the Rowe DSI can be used to evaluate management style differences between students enrolled in fully-employed/executive MBA programs of a similar nature but in different countries [6]. The previous studies showed no statistically significant differences, suggesting that either the students who seek out these types of programs bring similar management styles with them into the programs or the programs help create a distinct management style irrespective of nationality. This study seeks to evaluate the management style of U. S. versus Argentine managers so as to determine if there are significant differences that might require extraordinary care in dealings between managers in mixed groups or teams. The hypothesis tested is that there is no statistically significant difference between the two groups.

## THE SUBJECTS

The U. S. business school program selected was the Graziadio School of Business and Management's fully-employed MBA program at Pepperdine University in southern California. The Pepperdine MBA program is well known in the U. S. and internationally. This program places in the top ten MBA programs in the United States for enrollment and the top 30 in the U. S. for quality. The program is private, expensive, requires prior managerial experience, and is conservative politically. A high proportion of its students are from highly technical, undergraduate degree areas.

The program chosen in Argentina was the MBA program in the business and management school (the IAE) of the Universidad Austral in Pilar, Buenos Aires, Argentina. The IAE's MBA Program is well known throughout the Americas and is accredited by the Association to Advance Collegiate Schools of Business (AACSB). It is ranked among the top 25 business schools in the world by the *Financial Times*. The school is private, expensive, and requires prior managerial experience of its students.

## RESULTS

A sample of twenty-four (24) IAE students was collected at the Universidad Austral in the Spring of 2006. These students were enrolled in the IAE Executive MBA program. Careful forward and backward validation of language transcription was observed in the non-English speaking programs. The hypothesis tested was that there was no statistically significant difference between the two groups of students on any of the four attributes measured.

The testing of the hypothesis that there is no statistically significant difference between the management styles of the U. S. MBA candidates and the Argentine MBA candidates shows a significant difference in two of the four categories. There is a significant difference between U. S. and Argentine MBAs on the Analytic and the Behavioral dimensions.

It can be seen from the results, depicted in Table 2, that Directive and Conceptual dimensions both have probabilities associated with the mean differences that indicate that it is highly unlikely that they come from distributions where the means are unequal. Therefore, one should expect that Executive MBA graduates from either school would, on average, demonstrate extremely similar managerial decision styles in their Directive and Conceptual dimensions.

However, this is not the case with either the Analytic or the Behavioral dimension, as the respective probabilities of .0145 and .0182 show. These probabilities indicate that there is less than a 2 per cent chance that the test statistic comes from a probability distribution where the means are, in fact, equal.

**TABLE 2. COMPARISON OF U. S. AND ARGENTINE EXECUTIVES**

	DIRECTIVE	ANALYTIC	CONCEPTUAL	BEHAVIORAL
USA 2006 n = 46	78.6	90.8	71.7	58.9
Argentina 2006 n = 24	75.3 (3.3)	81.1 (9.7)	75.5 (-3.8)	68.2 (-9.3)
t-test probabilities associated with differences	.362	.014*	.356	.018*

\* = significant

An operative conclusion from this small study might lead one to expect that, on average, Argentine MBA-educated managers would be substantially less Analytic but substantially more Behavioral than U. S. MBA-educated managers in their approach to managerial decision-making. While one must exercise extreme care in assuming that any one group represents the entire population, executives heading for a first meeting with Argentine counterparts might be better prepared for the encounter if they are ready to meet with executives who are likely to operate as this study indicates.

These findings are also consistent with Hofstede's study showing how workplace values are culturally influenced, which has almost reversed measurements for Argentina and the United States in two variables: Uncertainty Avoidance Index (UAI) and Individualism (IDV) [14]. According to Hofstede, the Argentine managers' UAI score was more than twice the value of the U. S. managers'. The UAI measure is similar to the Rowe DSI Analytic measure. The U. S. managers' IDV score was nearly twice the Argentine managers' score. The IDV is quite similar to the Rowe DSI Behavior measure. Both indices in each country produced the highest values of any of the indices measured.

## CONCLUSIONS

This study took advantage of an opportunity to examine differences, if any, between U. S. and Argentine Executive MBA students.

We and others have found, in past research studies, that there were seldom statistically significant differences in managerial styles for Executive/Fully-Employed MBA students regardless of their country of program. However, this study seems to indicate that there are significant differences in managerial style between U. S. and Argentine managers. While not consistent with our previous studies, these findings are consistent with the Hofstede findings.

Future research may profitably be directed to analyzing and cataloging the degree of differences and the changes in differences over time in managerial style. This will: (1) Provide for more fruitful first and subsequent contacts between executives in different countries, and (2) better coordinate selection of team members from two disparate groups of executives. Globalization has already played a significant role in transferring economic, social, and managerial change. That will undoubtedly continue into the future.

## REFERENCES

References are available, upon request, from Alfred Hagan (alfred.hagan@pepperdine.edu).