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Conclusions: Organizational Boundaries Reconsidered

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A recurring concern, evident from a survey of recent writing in a range of disciplines in the social sciences and humanities,¹ is the impact of matters foreign on the local, as well as the effect of transnational encounters in the opposite direction, as a consequence of interaction and exchange. Globalization, today's catchword to describe cross-cultural interactions in existence from earlier times, albeit with new intensity, is a phenomenon which all groups in society have to contend with as the concomitant economic restructuring impacts on all.

Many organizations and private enterprises, far from being immune to this process of borders becoming increasingly porous, have selected to seize upon opportunities to expand beyond their national domains to offer their products and services to a wider clientele as well as to attempt production in cost-effective foreign settings. Inevitably, this requires organizational change as firms enter into new relationships via mergers, acquisitions or alliances. No longer tied to previously familiar national arenas, boundaries within the firm and organization are also affected, and altered.

This re-making of internal boundaries has been explored in seven papers, investigating Asian multicultural organizations in six countries, but involving many more peoples of different ethnicities (twelve in all), a rich empirical base to provide insights into some fundamental issues. Does culture matter? When does culture matter, and to what extent does culture matter, if indeed it does? How are conflicts, rivalries and crises resolved in transnational organizations? To what extent does national identity come into play in such situations? Does the power imperative override considerations of culture and identity? When and how do the particular circumstances of a specific region impinge upon decision-making? When and how does the global context intrude into decision-making?

A second, supplementary set of issues, related to the seven main questions posed above, have also been addressed by the papers. These bring into focus human agency, with a look at the major groups which are involved in or have dealings with the various transnational organizations, each with their own viewpoints, and not necessarily sharing similar perceptions with the other relevant parties. In the first place, when dealing with external parties such as the state, more often than not, state and business would have differing objectives and considerations. Hence, answers to the question,

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'What are the major concerns of state and business?' could well assist in an understanding of the issue of the influence of local context and circumstances.

Within the firm, there is the analytical split between management and labor, between male and female labor, and, of course, between foreign and local management. Deciphering what imperatives are crucial for each group may help in the unraveling of the other issues above with reference to culture, ethnicity, identity, gender, and power.

A summary of the research findings (across different Asian countries and on an Asian organization in one European country), discussed in response to the above questions should throw light on organizational boundaries, the focus of this volume. What do the case studies have to say about the principal issues? A simple answer to the first question, 'Does culture matter?' is a resounding 'yes'. However, in the 'real world', the simple answer does not suffice. Current writing on culture now recognizes that cultures are not homogenous, closed or rigid, hence more nuanced explanations involving culture are required. As the literature on cross-cultural and on multi-ethnic relations affirms, discussions on culture have to take into account the complex interplay of culture with other factors, the more prominent being those of politics (competition for power and privilege) and economics (attaining organizational effectiveness and ensuring profitability of the business).

If we look at the contribution by Byun and Ybema, it informs us that concepts such as ethnicization and localization, prevalent in recent work in organizational studies, do not catch the essence of what is happening when two highly homogeneous groups in terms of ethnic composition, the Dutch and the Japanese, meet in an organizational context. Rather, the concept of power has been found to be central, with ethnicity being used as a source of power. This has also been the finding of Bhopal and Rowley who have seen ethnic identity used in an opportunistic manner in their case study. The thrust of their paper is spelt out in the title, namely, 'Ethnicity as a Management Issue and Resource' with examples from Malaysia. Ethnicity has been used as a resource for 'management control in both political and business domains'. By appealing to intra-ethnic solidarity in the context of the local scenario with three major ethnic groups, this essentially undermines horizontal solidarity, thereby minimizing potential trade union challenges against management.

The study by Dahles and Bruckwilder of a multicultural joint venture in Singapore supplies us with a picture of a 'strong state', which has adeptly manipulated the cultural differences between European and Japanese staff to dictate the pace of project implementation, and to exact agreement from the joint venture. Employing the discourse on Western versus Asian values, strategically acquiring the compliance of the Japanese partner tasked with handling external relations (while the European partner attends to project implementation), the state has been able to amend the contract to its advantage as well as cut costs to its benefit. Here then, is the use of culture, *par excellence*, in the exercise of power.

To this discussion on culture and power must be added the Thai case study, 'Boundaries on the Move', by Boode. The title seems to imply that local values and preferences are fully accommodated by the western management. However, a closer look reveals that, even when the expatriate managers were willing to allow local input into the making of company policies and procedures, 'they still imposed their own cultural framework on the standards set.'

Table 1. Summary of Research Findings From Seven Case Studies

Issues	Chan et al./ China		Kopnina/ Singapore		Dahles & Bruckwilder/ Singapore		Boode/Thailand		Byun & Ybema/ Netherlands		Bhopal & Rowley /Malaysia		Tijsterman/ Hong Kong		
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
1. Does culture matter?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
2. When does culture matter, and to what extent does culture matter, if indeed it does?	A New Sinitized Corporate Culture implies that both cultures matter, and are taken into consideration.	When it conforms to state discourse on the importance of family.	Discourse on Western versus Asian values in the effort to establish its own identity after initial reliance on foreign investment for modernization.	Discourse on Western versus Asian values in the effort to establish its own identity after initial reliance on foreign investment for modernization.	When company policies conflict with Thai cultural values, concessions have to be made to Thai employees.	The insider/outsider distinction in Japanese culture results in limited interaction despite the inclination of the Dutch to the contrary.	Creation of ethnic boundaries helped in undermining the potential of collective labour solidarity and employee-employer conflict of interest.	Both western and local culture matter. Combining different cultures possible through education in Small World kindergarten.	Both western and local culture matter. Combining different cultures possible through education in Small World kindergarten.	Creation of ethnic boundaries helped in undermining the potential of collective labour solidarity and employee-employer conflict of interest.	Ethnic identity utilized as a managerial resource for trade union avoidance.	Ethnic identity used in opportunistic manner - appeals to ethnic solidarity, despite intra-ethnic class differences.	Ethnic identity used in opportunistic manner - appeals to ethnic solidarity, despite intra-ethnic class differences.	Recognition of desire to retain Hong Kong identity even as multiculturalism is being fostered.	Promoting multiculturalism, i.e. crossing cultural boundaries .
3. How are conflicts, rivalries and crises resolved in transnational organizations?	Conflicts putting joint ventures at risk are dealt with by mediation and adjustment.	Constant balancing and negotiation of symbolic boundaries between new and old, local and foreign.	Manipulation of cultural differences between European and Japanese staff – exploiting boundaries between East & West	Manipulation of cultural differences between European and Japanese staff – exploiting boundaries between East & West	Despite power imbalance in favor of foreign managers, strategies have to adjust to local sensitivities.	Polarization allowed to exist as it was deemed more important to maintain position of control.	Ethnicity utilized as a managerial resource for trade union avoidance.	Ethnicity utilized as a managerial resource for trade union avoidance.	Ethnicity utilized as a managerial resource for trade union avoidance.	Polarization allowed to exist as it was deemed more important to maintain position of control.	Ethnicity utilized as a managerial resource for trade union avoidance.	Ethnicity utilized as a managerial resource for trade union avoidance.	Ethnicity utilized as a managerial resource for trade union avoidance.	Promoting multiculturalism, i.e. crossing cultural boundaries .	
4. To what extent does national identity come into play in such situations?	Modification of foreign influences, mix of western and Chinese ways.	National identity linked to Chinese culture, taken to be the cornerstone of morals, values and beliefs.	Situational use of multiple resources, Asian values as a synonym for national identity.	Situational use of multiple resources, Asian values as a synonym for national identity.	Cultural boundaries in place with western management practices imposed to the extent possible.	Cultural identities strengthened, i.e. ethnic boundaries in place PLUS the use of ethnicity as a source of power.	Cultural identities strengthened, i.e. ethnic boundaries in place PLUS the use of ethnicity as a source of power.	Cultural identities strengthened, i.e. ethnic boundaries in place PLUS the use of ethnicity as a source of power.	Cultural identities strengthened, i.e. ethnic boundaries in place PLUS the use of ethnicity as a source of power.	Cultural identities strengthened, i.e. ethnic boundaries in place PLUS the use of ethnicity as a source of power.	Cultural identities strengthened, i.e. ethnic boundaries in place PLUS the use of ethnicity as a source of power.	Cultural identities strengthened, i.e. ethnic boundaries in place PLUS the use of ethnicity as a source of power.	Cultural identities strengthened, i.e. ethnic boundaries in place PLUS the use of ethnicity as a source of power.	Recognition of desire to retain Hong Kong identity even as multiculturalism is being fostered.	

Table 1. Continued

Issues	Chan et al./ China	Kopnina/ Singapore	Dahles & Bruckwilder/ Singapore	Boode/Thailand	Byun & Ybema/ Netherlands	Bhopal & Rowley /Malaysia	Tijsterman/ Hong Kong
5. Does the power imperative override considerations of culture and identity?	Unequal power relations obtain but culture used as a mask to disguise this fact.	Not applicable.	Multi-layered strategy of Singapore state to maximize returns, use of culture in the exercise of power.	Decision-making in hands of expatriates who test the limits of their power.	The use of ethnicity as a source of power	Power, culture and identity closely inter-related.	Not applicable.
6. When and how do the particular circumstances of a specific region impinge upon decision-making?	American fast-food culture as exemplified by McDonald's, adapted to accommodate their Chinese customers.	Structural adjustment of firm to state policies which promote professionalism, internationalism and regionalization.	Evolving State Development project, from a dependence on foreign investment to support of domestic enterprise.	Local culture only taken into consideration when doing otherwise disrupts operations.	Local Dutch culture not taken seriously.	Historical ethnic divisions continue; allows for appeal to ethnic solidarity, downplays gender occupational differences within an ethnic group.	Local culture still valued. At the same time, acknowledge the need to become 'culturally competent' to survive in the global economy.
7. When and how does the global context intrude into decision-making?	Convergence of economic systems of capitalist West and socialist China as China opens up.	Acute awareness of global trends with drive to adopt 'modern' western management model.	Courting of foreign investment to meet development goals.	Thailand's high growth rate from mid-1980s attractive to foreign investment.	Japanese company investing in Europe in order to penetrate the market there.	Malaysia's export oriented industrialization policy drew foreign direct investment.	Small World kindergarten selected for child's exposure to global (western) culture.

Another manifestation of culture, national identity, rears its head in the different locations studied. For instance, in Singapore, national identity has been linked to Chinese culture, taken to be the cornerstone of morals, values and beliefs. In particular, from Koprina's interviews, Singaporean SMEs refer to their comparative advantage of being self-sufficient and flexible, features usually associated with Chinese culture which have served them well in times of recession, while centuries-old principles of trust and reciprocity – also said to be features of Chinese culture – have been of great value when it came to the provision of the very necessary start-up capital.

The importance of national identity is also evident in Tijsterman's 'Crossing Cultural Boundaries: A Multicultural Kindergarten in Hong Kong', where, despite the willingness of Chinese parents to expose their children to western culture, they still value their Hong Kong identity and do not have to give up their own culture in this international school. This is because Small World's management is well aware of the aspiration of Hong Kong parents, as their provision of Mandarin classes attests to, even as their curriculum is essentially western in orientation. Small World provides 'education for understanding' based on the Socratic tradition with a focus on analysis, criticism, argument and synthesis, with the use of the English language and the incorporation of Christian values in contrast to 'education for performance' in the Confucian tradition in the local schools.

It would appear that culture does matter, but only insofar as it does not detract from the all-important bottom line. The China case study reveals that if there is internal resistance to western business practices, then adjustment is necessary as the conflict cannot be allowed to fester, becoming dysfunctional. There is definitely a need to minimize negative outcomes. For, as Chan et al. record, the foreign investment flood into China, drawn to its vast market, has been marred by disputes, an increase of 74.4 per cent from 1993 to 1994, growing to 93 per cent in 1995. Indeed, they note that 'in some cases, industrial disputes threatened the very *raison d'être* of these international joint ventures in China'. Put in another way, as Koprina's investigation of recruitment methods in Singaporean SMEs also shows, decisions were 'dictated by a mix of economic necessities and cultural loyalties or traditions'.

Creating, Balancing and Re-making of Boundaries

This special issue underscores the complex interplay of culture, economy and power. Culture does matter and comes into play when it does not detract from effective functioning of the organization, militating against the overriding profit objective. Culture has also been seen to be a source of power where ethnic identity has been manipulated to achieve management ends. In identifying three different bases for action, it would be difficult to generalize on the primary motivating force. Rather, what seems to be clear is that there can be a mix of rationale for action and depending on the situation, regardless of which group the focus is on, one of the three may take precedence.

From the re-affirmation of cultural boundaries when client or management deals from the vantage point of strength (Dahles and Bruckwilder/Singapore, Boode/Thailand) to the creation of ethnic boundaries when it serves the purpose of decision-makers (Byun and Ybema/Netherlands, Bhopal and Rowley/Malaysia) to the constant balancing and re-making of boundaries to meet altered conditions

(Chan et al./China, Kopnina/Singapore, Tijsterman/Hong Kong), we see a variety of strategies employed, dependent on temporal, spatial and power considerations.

What can we draw from this range of responses? First, with regard to the relationship between culture and power. Even though unequal power relations obtain among the major groups in many of the cases examined, the weaker parties are not totally without power and their interests cannot be disregarded if the organization is to achieve an acceptable level of efficiency so as to continue to add value to its final products. Since the homogenization outcome accompanying the globalization process has been found to be less likely as opposed to a mix of outcomes, it appears that there will be a constant negotiation of cultural boundaries. In addition, in some examples, cultural identities have been strengthened, to be used as a resource, which by definition involves the creation of ethnic boundaries.

On the second, the relationship between culture and economics, the answer may depend very much on the given situation at a particular point in time. In other words, the context and prevailing circumstances may provide the clues as to which factor would take precedence. The cases studied have revealed the emergence of symbolic boundaries between the foreign and local which are constantly being negotiated and re-negotiated.

This brings us back to the question raised in the Introduction, that organizational boundaries are conceptualized in the mainstream literature as given, fixed and unambiguous. The articles in this volume have challenged this view, offering empirical evidence to the contrary. Indeed, as an analytical tool, the concept of boundaries, and the processes involved in the creation, balancing and re-making of boundaries, provide us with insights into social and organizational dynamics in the locations selected – as, for instance, in the use of boundaries to attain and maintain power. The pictures which emerge from the research portray organizations in terms of arenas and battlegrounds where diverse groups with their own sub-cultures compete, rather than communities with common goals and shared beliefs. The volume's focus on boundaries has highlighted opportunities (e.g. crossing cultural boundaries) and restrictions (e.g. the social construction of boundaries) in the cross-cultural relations of the multicultural organizations studied. It is hoped that future research – to ascertain the extent to which opportunities are seized to adapt to local conditions towards the realization of the 'multi-local' multinational firm, an 'integrated variety' management model – will further this debate.

Notes

¹ As the articles have made copious reference to literature from the fields of organization, management and cultural anthropology, some references from the humanities are offered here. In addition, the bibliographies in each of the following works should suffice as an introduction to the current writing in the related specialization. From archaeology, see Stark, M.T. and Jane Allen, S. (1998), 'The transition to history in Southeast Asia: an introduction', *International Journal of Historical Archaeology*, Vol.2, No.3, pp.163–74. An example from world history is Bentley, J.H. (1996), 'Cross-cultural interaction and periodization in world history', *American Historical Review*, Vol.101, No.3, pp.749–70. From Southeast Asian history, see Sutherland, H. (2003), 'Southeast Asian history and the Mediterranean analogy', *Journal of Southeast Asian Studies*, Vol.34, No.1, pp.1–20. From business history, the following work by Cochran, S. (2000), *Encountering Chinese Networks. Western, Japanese and Chinese Corporations in China, 1880–1937*. Berkeley: University of California Press, looks into the encounter between foreign versus local business practices.