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THE INSTITUTIONALIZATION OF THE ORGANIZATIONAL CULTURE IN SUBSIDIARY FIRMS

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ABSTRACT

We examined the institutionalization process of organizational culture in subsidiary firms and the interaction of the subsidiary with its environment in different levels using the institutional theory. We identified a sequence of steps and factors which influence the process of legitimating and institutionalizing the organizational culture. Finally we propose hypotheses dealing with the impact of the different factors on the process of institutionalization.

KEY-WORDS: Subsidiary, multinational, institutional, culture.

1. INTRODUCTION

The interaction of the subsidiary with the parent firm and host environment, is produced within a frame provides by the organizational culture which should be stable and predictable, adopting an institutional form which organizations adopt to gain resources, stability and legitimacy (Meyer & Rowan, 1977). However, these rules are not only required by the organizations, fields also need to be institutionalized to confirm their existence (DiMaggio & Powell, 1983), this phenomenon of homogenization is called isomorphism. Oliver (1992) described institutional behaviour as being composed by stable, reiterative and lasting activities.

The organization culture of the firm is the center of political interaction and self interest defence discussions which derive in emergent laws, considering this changing nature the subsidiary is obliged to search continuously for legitimize past decisions and activities (Eker & Eker, 2009). Modern subsidiary has a great challenge dealing with change in their different levels and contexts (Dacin, Goodstein & Scott, 2002); subsidiary has to keep its institutional form facing to continuous internal and external change.

Brown and Eisenhardt (1998) propose the institutionalization of change, as a tool to avoid the risk of being static and at the same time of becoming chaotic. To achieve this balance the firm needs to work as would a precise artisan (Pitcher, 1997), working to change without falling on the other side of entropy, as when the light of entropy is turned on it is very difficult to reduce and turn off. The firm sustain its competitive advantage, changing its institutional context (Oliver, 1997) and it could also change its external institutional context, it depends on its level of influence in its field.

Rugman and Verbeke (2001) consider the multinational as a firm with value-added activities in at least two countries, these facilities are called subsidiaries which has an intrinsic level of uncertainty. Cultural differences between host and parent country contribute to increase the uncertainty level (Gong, 2003). According to Henisz and Delios (2001) there are two levels of uncertainty: firm-specific uncertainty (when the firm is not familiar with the market characteristics) and policy uncertainty (when the market and political institutions of the host country are unpredictable). However the subsidiary has the natural tendency to avoid and reduce uncertainty (Thompson, 1967), one mechanism for addressing uncertainty is to gain legitimacy, for that reason, one of the priorities of the multinational firm is to establish and maintain the legitimacy in its subsidiaries (Kostova & Zaheer, 1999). Legitimacy with the environment of the host country and legitimacy with the parent firm, if the subsidiary conforms to expectations, values and social norms of the host country and the parent firm, then the subsidiary will be considered legitimate. Delmestri and Wezel (2011) argues that legitimation of the subsidiary may be complicated or even postponed, if the norms, beliefs and regulations of the subsidiary firm diverge with those accepted in the host country.

The organizational culture of the subsidiary is important for the parent firm because it can exert control over the subsidiary through shared values and norms (Gong, 2003; Ouchi, 1979). Cultural learning allows the subsidiary to increase the efficiency of its transactions with the host country; the long presence of a subsidiary inside a host country increases its legitimacy and local isomorphism (Gong, 2003). According to Hira and Hira, (2000), the culture can determine and define the efficiency of the firm.

Schneider (1988) assures that the multinational firm has to fit its corporate culture with the national cultures of its different host countries, in assuring strategy implementation. On the other hand Harzing and Hofstede (1996) highlight the importance the host culture plays in developing the change within the firm, and advocate the need for adaptation. The cultural expectations of the host society is a source of informal isomorphic pressures which can be considered coercive isomorphism (Norhayati and Siti-Nabiha, 2009). In the case of new subsidiaries, there is uncertainty because its lack of legitimization, the subsidiary has a period when it must legitimize its operations in the host country and as a member of the multinational business community; this legitimization includes expectations, values and social norms Kerr and Slocum (1987). So the institutionalization of the culture is part of the process of the institutionalization of the firm, which entails the legitimization of the subsidiary in its environment. Institutionalization of culture occurs when elements and practices of culture become widely accepted as appropriate and necessary for the firm, the MNC follow regulative and normative processes of institutionalization in order to disseminate the culture to the subsidiary firms (Rosenblatt, 2011).

In this paper, we study the relationship between the cultural environment and the subsidiary firm using institutional theory and resource-based approach. Previous research analyzed from an institutional framework the transference of a particular task from the parent firm to the subsidiary (Kostova, 2002). In our research we analyze the process of institutionalization of the organizational culture of the subsidiary firm, considering its environment where there are several cultural streams, each one influencing it, transferring to it its own cultural patterns. We believe the process of institutionalization of the organizational culture, pass for understanding, assimilating and consolidating the culture.

This paper try to explain the difficult path upon which the multinational has embarked, walking along a corridor with on one side the paralysis, the static state with a dominant bureaucracy and on the other side chaos and disorder, two opposites extremes on the Cartesian line of disorder: the institutionalization and the deinstitutionalization. Dacin et al. (2002) defend that the pressures for deinstitutionalization pass through a complex cognitive mechanism where the answers need to be legitimized and institutionalized (Greenwood, Suddaby & Hinings, 2002). We use the wide path of Dacin et al. (2002) to analyze all the stages with all the pressures exerted, for determining what the answer of the enterprise is and the consequences of the answers and whether they are sufficient to sustain the enterprise in the right direction.

2. THEORETICAL BACKGROUND

It was DiMaggio and Powell, (1983) who proposed that the result of the interaction within a highly structured field is the homogeneity in structure, culture and output which is called isomorphism, which means the natural tendency or quasi equilibrium inside the organization or field. For Eisenhardt, (1988) legitimate behavior allows predict practices inside the organization, the institutionalized organization is so homogeneous that it becomes predictable, and these actions are legitimate and performed by the same organizations throughout its organizational culture.

According to Oliver (1997) the perception of institutional activities cannot be explained by rational choice frameworks. Instead of she consider that the institutionalized behavior is unreflective, social and socially. The firm with all of its internal procedures becomes highly predictable, this makes it easier for other members of the environment to transact with it because they know its reactions. At the same time, as these partners become more stable, they adopt a waiting attitude, while internally they are also institutionalizing, adopting the answers of their partner as being safe, repetitive and known.

But this non-reflexive behavior is not necessarily irrational. It could be a sign of the maturity of an organization which is taking more reasonable decisions established on such standards that lead it to practice more secure ways (Eisenhardt, 1988). This is consistent with the affirmation of Baum and Oliver (1991), which sustains that the reward for the institutionalization of the organization is the contribution of its probabilities of survival. In effect the

old and mature firms which have all their procedures standardized and which are highly predictable, are considered to be institutionalized.

Contrarily, a young and inexperienced organization is in the process of testing all its procedures, the reason for which everything is highly unpredictable, in fact it works by trial and error, until it gets the right procedure down; it is institutionalizing little by little, step by step. The higher rate of young firms that did not survive the institutionalization process and that failed seems to confirm this. Scott (1995) confirmed the cognitive character of institutionalization when he said that it stressed the cognitive frameworks rather than the normative systems.

In the resource-based perspective, the unities of analysis are those resources which are the basis of the strength or weakness of the firm (Wernerfelt, 1986). We can see into that definition a reference not only to the physical resources or tangible resources, as there are also the non physical resources, also called intangible resources by Miller and Shamsie (1996). The stability of institutionalization is also manifested through its continuity, both in quantity and quality of tangible and intangible resources, which are conducive to stability in performance, which is concordant with Barney's (1986) affirmation that the variability of an organization is attributed to the heterogeneity of its resources. An example of this affirmation can be found in the study of the ISO 9000 made by Guler, Guillen and Macpherson (2002), where a complex system of rules and norms contributes to the institutionalization of the firm, and at the same time assures that the flow of the resources is constant.

3. INSTITUTIONALIZATION AND CHANGE

The level of institutionalization could also be a constraint to change in the organization, when managers encouraged by the inertia see their options restricted (Oliver, 1992). The institutional organization is characterized by procedures and behavior that are standard and predictable, in all the levels of the organization. Should the managers consider that the firm functions as well as a Swiss clock, then they will perpetuate the natural tendency of the minor effort; why change something that is working well, would be their rationale. While institutionalization saves the firm from dangers and diminishes the state of uncertainty, in another way it is a powerful somniferous which makes the capabilities of the managers and of the firm appear lethargic.

The inertial force is also present inside the firm, where the levels of the individual, group and top managers all have their jobs assigned without problem. Communications may be horizontal or vertical and they are diminished because the spirit of competition is replaced by the spirit of conformity. In the vertical scenario, communications are restricted to the top-down isomorphism (Rodriguez & Child, 2003), the feedback is discouraged by the conformity. Change under these conditions can only occur because of the effect of political forces (Rodriguez & Child, 2003). That one-dimensional and unilevel source of change, means that the rationality of the decision is more to maintain power rather than for the firm's benefit.

Secondly, managerial options are restricted, because the norms within and outside the firm are very strong, too difficult to change. For example, there are very few firms today that don't have the accredited process, be it administrative or operational, the so called ISO 9000, which is also a product of global institutionalization (Guillen, 2002). These processes are all standardized, predictable and secure and they are also difficult to change, making of the choice available to the manager one limited to the possibilities that the combination of these processes provides. So instead of the firm seems solid and stable, it is also rigid, intrinsic and sometimes could be confused. The decision-making process in this kind of firm has to pass through many phases, which makes it slow and predictable. This is highly dangerous for a firm which is operating in a turbulent environment.

At the external level, it is not so different; the institutionalized firm only can survive inside an institutionalized field, which is composed by different rules and norms which regulate the activities of the members operating within the field. The field protects its members from external attacks by: limiting the number of entering firms, forming lobbies to defend against the laws of the government, and regulating prices. But it also limits the actions of its members, establishes standards and commercialization methods, rules of competition, product norms and arbitration tribunals.

4. THE INSTITUTIONALIZATION OF THE MULTINATIONAL FIRM

The multinational firm has a wide global corporate culture which is based on socialization mechanisms as: creation of lateral networking, interpersonal communication, shared values, etc. The knowledge and routines accumulated by the multinational firm in its home country are of limited usefulness when it goes abroad; for this reason the strategic decision of going abroad is uncertain (Rugman & Verbeke, 2001).

The high level of complexity of the multinational firm makes any analysis by the institutional theory extremely complicated; in effect the multinational firm has the particularity of possessing many components which could be functioning in different countries (Rugman & Verbeke, 2001). The multinational firm faces environments that normally are very different, first the environment of the parent firm in the parent country, second the parent firm in the international field and finally the subsidiary in the host country. In the first case, the institutional pressures come from the government, the field and the market. In the second case the institutional pressures come from the global institutions and global fields. In the third case the firm receives pressures from the government, field, market of the host country, but it also receives pressures from the parent firm. Kostova and Roth (2002) found two factors that influence the adoption of organizational practices by subsidiaries: the rational context inside the multinational firm and the institutional profile of the host country.

There are countries with a high level of institutionalization, with a high degree of control over the economy and the society. The firm could also find countries with a medium and low degree of institutionalization, where the influence of the country's national culture over the firm is low. The level of institutionalization of a country can be measured, according to Wan and Hoskisson (2003), using the data of the World Competitiveness Report issued by the United Nations data and International Country Risk Guide, for the political and legal level, while for the societal level by using the World Values Survey from the Inter-University Consortium for Political and Social Research.

5. CULTURE OF THE SUBSIDIARY FIRM

Wilkins and Gibb (1988) consider organizational culture as the knowledge shared and socially acquired which define a frame of reference. Barney (1986) had already considered the pervasive effects of organizational culture which is defined as a set of values, beliefs, assumptions and symbols, that define the way the firm does business and limit its actions inside and outside the firm.

For Schall (1983) the organizational culture becomes the place where the members of the firm interact (explain, coordinate, evaluate and attribute meanings), based on three pillars: values, beliefs and assumptions. In this system the actors are interacting continuously, within the context and the rules imposed by the organization and which act as cultural warrants. Daymon (2000) state that the culture is the result of a continuous process of integration, differentiation and fragmentation. It gives an idea about the culture inside this cycle, and has a tendency towards integration, that Sutton (1974) called cultural consistency.

6. MODEL OF PRACTICE ADOPTION

We consider that the subsidiary has two environments to confront: first the host country and second the parent firm. Both environments have different degrees of institutionalisation and the pressure that is exerted over the subsidiary will be in direct function to this level of institutionalisation. On the other side is the culture based on a system of values, beliefs and assumptions (Schall, 1983). In the first case, the host countries have different degrees of institutionalisation, such as highly, medium and low institutionalised countries, each level have its own level of institutional pressures. According to Scott (1997), the firm receives institutional pressures on three levels: regulative, normative and cognitive.

Kostova and Roth (2002) consider that influence over the subsidiary are related to the culture. In the case of a new subsidiary, its organizational culture is very close to the parent firm, but the influence of others factors generate a process making to flow a new culture or a mixed culture. The influences mentioned generate a cognitive process; we are going to use the five cognitive processes identified by Doney, Cannon and Mullen (1998) for analyzing the influence of the national culture on the development of truth. The cognitive processes are the following: calculation, prediction, intention, capability, and transference. The following step is the socialization and learning; the

newcomer begins to relate more intensively with the other members of the field, with the government, with the different organizations and with the market, while involved in a continuous relationship with the parent firm. This socialization comes together with the process of continuous learning involved in these kinds of relations.

All this process produces a cultural change, since the parent firm's culture to another mixed culture which is the resulting product of this process. This mixed culture is the feedback to the process of receiving the influences of the host country culture, parent firm culture and the field culture and in setting up a cycle ready to begin another time. This continuous recycling of the cultures should turn into the institutionalization of the culture. Depending on the strength of each influencing culture, the new culture will have more or less characteristics of some prior culture.

We can compare this model with the three basic stages of institutionalization of the practices by Tolbert and Zucker (1996). This three-stage model is comprised of: pre-institutionalization, semi-institutionalization and full institutionalization. The difference between these stages is the degree of diffusion and acceptance; the full institutionalized stage entails the recognition of the practices and its legitimacy. In our model the culture also requires diffusion, acceptance and specially its legitimacy which permits and ensures the auto-conformity with our acts.

Some of these institutional pressures are present as knowledge and could be considered also as a resource (Peteraf, 1993). So this knowledge allows the subsidiary to learn about its host environment, which contributes to its process of legitimization. In this flow of resources the firm also transmits knowledge. In other words we can conceive the institutionalization model, as a model showing the flow of the resources, the knowledge. The host environment and the parent firm transmit the knowledge to the subsidiary that has to process it intra-organizationally to produce another resource, the organizational culture. Winter (2000) said that a capability renders the firm capable of producing some important output; in our perspective the output in this case is the organizational culture, in the measure that the subsidiary has the suitable physical, tangible and intangible elements, it could develop an organizational culture which will be profitable for the firm.

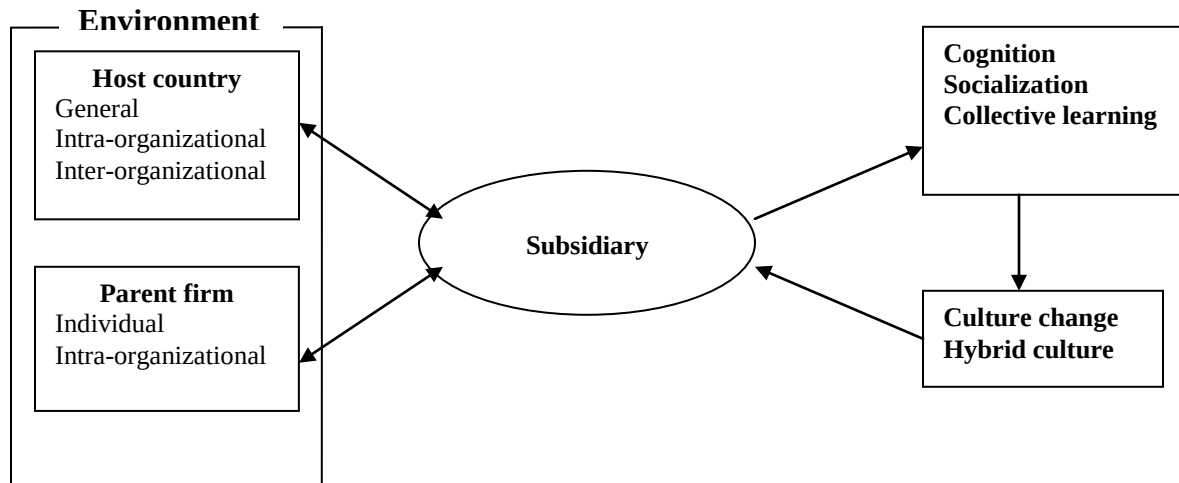


FIGURE 1 - Model of the institutionalization process of the organizational culture in a subsidiary of a multinational enterprise.

7. INFLUENCES AFFECTING THE ORGANIZATIONAL CULTURE OF THE SUBSIDIARY FIRM

7.1 Host Country Environment

Barlett and Goshal argues that the nature of the local environment has a decisive impact on the role that the subsidiary plays in the organization (as cited in Birkinshaw, Hood & Jonsson, 1998; p. 222). Establishing in another country obliges the multinational and its subsidiary to effect different operations in the host country such as hire and train a new work force, negotiate with suppliers, distributors, customers and government (Guillen, 2002). Meanwhile the multinational firm could be very competent in its home country, with its institutional advantages which almost disappear when it is in foreign countries.

According to Kostova (1999) the existing rules and laws in a particular national environment promote certain types of behavior and forbid others, she finds that the host country's institutional environment has two roles in behavior: it acts to constrain and to promote certain types of behaviors. It can constrain for example the cooperation or the creative behavior by imposing too many rules and norms that can drive the firm towards bureaucratic paralysis. We can observe that in the case of Nissan as described by Kotter and Heskett (1992), the enterprise suffered of the paralysis created when its cultural model become bureaucratic and autocratic.

The second role is to promote certain types of behavior; certain firms can promote the competitive behavior. Nissan implanted certain norms and rules to reward the workers based on their yield, a change from the old system of rewards based on the number of years of experience with the firm. As we can see the firm can use the institutional environment to promote different types of behaviors according to its plans or necessities.

H1: Highly institutionalized host countries exert a high level of isomorphic pressures. The organizational culture results from a process of accommodation.

High institutionalized countries have a high level of isomorphic pressures because the field and the institutions are very homogeneous; they ensure that the new partner rapidly and effectively adapts to its new environment, and they can produce distortions or alterations in the dynamics of the host field and host country. The institutions, norms and rules of these countries are strong, so the firm does not have much freedom of action and this makes it adopt a passive role. The organizational culture of the subsidiary accepts the institutional pressures from the host culture.

The host country may provide incentives or sanctions for imposing certain organizational rules. This is the case of the ISO 9000 studied by Guler, Guillen and Macpherson (2002), in which case the state acted as a promoter because if it adopted the ISO 9000, it obliged all its suppliers to adopt it as well and in this way the whole sector was involved.

H2: Medium institutionalized host countries have a medium level of pressures toward institutionalization. The organizational culture of the subsidiary results from a process of negotiation.

H3: Low institutionalized host countries have low level of institutional pressures. The organizational culture of the subsidiary influences the culture of the host country and the host field.

Another way in which the host country affects the subsidiary is through the employees who are influenced by their cognitions and beliefs (Kostova, 2002). In spite of the training and learning process that normally accompanies a new employee, the cognitive frame and beliefs continue and influence the actions within the firm, which also affect the subsidiary.

The host country is the nearest source of tangible and intangible resources for the subsidiary which can implement a competitive advantage by developing a value-creating strategy not developed by others members from the host field (Barney, 1991). The subsidiary can use its capabilities and resources for generating rents (Dutta, Zbaracki. & Bergen, 2003), which can help to obtain its legitimization from the parent firm. The relationship of the firm with its market, either demanding or rejecting its products, lets the firm know what the market likes, so then it can begin to

adapt its products to the stable preferences of the customer. This is a very valuable resource, we can call intangible as it compiles knowledge about the customer.

7.2 Inter Organizational Environment

According to Baum and Oliver (1991), institutional links to the environment increases the possibility of survival of the organization. These links are the way that the firm looks for institutionalization within the field or the cluster. It is very important because it is the beginning of the socialization and permits the subsidiary to begin to learn about industrial practices, augmenting in this way its benefits. According to Scott (1995) there are two types of structures which envelop the firms: group of firms (clusters) and industry fields; these two structures provide the social channels which can lead to imitation and isomorphism.

The first type, the clusters, is a group of firms which are linked to each other by control, exchange or ownership reasons. Obtaining the membership of the clusters' group provides the subsidiary with the experience of its partners and facilitates the recognition and quest of opportunities (Guillen, 2002).

The second type, organizational field, is a conglomerate of organizations which constitutes a recognized part of institutional life (DiMaggio & Powell, 1983). This type of social structure may affect the level of communication between organizations, thus promoting the imitative behavior (Guillen, 2002).

The first time, the relationship with the field may be difficult, because all are competing for the same resource. Wernerfelt (1986) propose that the firm who holds a resource affects the costs or revenues of the new entrants, creating a type of entry barrier. But the subsidiary normally has an additional resource that can compensate for the resource barriers, and this is its technical knowledge, this will permit the subsidiary to affront the extra costs necessary for passing through the entry barriers.

If the market demand is stable, the firm can continue to build its own network and try to secure its sources of external resources. Its relationship with the environmental field is very important because, it allows the firm to supervise the behavior in the field, helps it to avoid inconveniences and further, it is described.

7.3 Parent Firm

The influence of the parent firm can be important depending on two factors: the culture of the parent firm and the economic importance the subsidiary has for the parent firm. In the first case the culture of the parent firm is the first trace of culture inside the organization, one method normally used by the parent firm is to place expatriate managers in the subsidiaries to help form the organizational culture of the new subsidiary, making the transfer of knowledge easier while exerting cultural control through shared values and norms (Ouchi, 1979).

An other method is the constancy of communications between the parent firm and the subsidiary, feeding it with messages and communications highlighting its organizational culture. Rugman and Verbeke (2001) state that the firm builds the trust based on consistent, coherent and predictable decision making which transmits data and facts which can be clearly codified and understood by the whole organization. But all of this depends on the organizational culture of the parent firm, as if the parent's culture does not stimulate trust, initiative and the transfer of knowledge, the subsidiary's role will be limited to that of receptor of orders. This effectively condemns the new subsidiary to be a simple satellite devoid of initiative, and this behavior of the parent firm will also affect the trust of its subsidiary which could become a distrusting institution.

H4: The level of institutional pressures exerted by the parent firm depends on the economic importance of the subsidiary, the level of institutional pressure emanating from the host country and its own level of institutionalization.

An other factor of importance is the contribution of the subsidiary to the network of the multinational firm. The parent firm could promote or inhibit the development of the contributory activity of the subsidiary (Birkinshaw et al., 1998a) depending on its importance to the corporation. Certain factors of this context are mentioned by Birkinshaw et al. (1998a), they are: social control, control of the resource, formalization of the activities and level of

autonomy. This could condition the behavior of the parent firm toward the subsidiary. If the contribution of the subsidiary is important to the parent firm, be it strategically or economically, the parent firm will tend to increase the level of control toward the subsidiary. In this situation, the subsidiary will have more rules, norms and reports imposed by the parent firm, all of which increase the institutional pressure. From the resource-based perspective, if the subsidiary has specialized resources recognized by the whole multinational firm (Birkinshaw & Jonsson, 1998b), this factor augments its importance within the network.

According to the classification of resources by Miller and Shamsie (1996), there are two kinds of resources which are interchanged between the subsidiary and its parent firm. The first is knowledge-based, normally the technical knowledge of the subsidiary of a multinational firm goes beyond the level of the local market which can differentiate the subsidiary from the other participants. The second is the property-based resources, the continuous flow of resources between the subsidiary and the parent firm depends on the economic significance of the subsidiary by the parent firm.

8. COGNITION, SOCIALIZATION AND COLLECTIVE LEARNING

Cognition is the first step; when the host culture is in contact with the subsidiary, there is a cognitive process which allows for socialization and posterior learning. Authors like Zilber (2002) stressed the importance of cognition in institutionalization. We found many concepts of cognition in our research, like: theorization and internalization, which precede the diffusion within the organization of new ideas.

Fiol and Lyles (1985) propose that there are four factors which affect the probability of learning: culture, strategy, structure and environment. The same author states that there are two levels of organizational learning; the low level, based on routine and repetition and the high level, which consists in adjusting overall rules and norms. The latter is a more cognitive process than the lower level which is basically repetitive behaviour.

A subsidiary needs to apply a high level of organizational learning, in order to adjust gradually its rules and norms to the new institutional environment. One of the important factors for attaining this high level of organizational learning is social interaction, which is fundamental for transmission and change of culture. Socialization methods are the modeling of imitation, instruction, correction, negotiation, story-telling, gossip, remediation, confrontation and observation; all these activities are based on communication skills (Schall, 1983).

Translating this socialization to the intra-organizational level derives from an increase in commitment by the employee and helps to establish the corporate culture (Rugman & Verbeke, 2001). Meyer and Rowan argues that formal training and professionalism create an institutional environment through shared social rules (as cited in Guler et al., 2002, p. 211). DiMaggio and Powell (1983) state that another way of socialization is the imitation between members of social systems which could be due to competitive motives.

But the field is also disturbed by the presence of this new member in the socially-constructed-field level, which with its new ideas constitute possibilities of change (Greenwood et al., 2002). At the firm level, learning from another firm about the best practices in employment, produces competitive imitation pressures (Guler et al., 2002).

The knowledge-resources which the subsidiary is getting from the host country and the field, are very important because they are the base of its future capability in the field. It already has the technological capability which distinguishes it from the other competitors; its administrative capability improves with the help of its parent firm and its employees.

However, there is one capability that the firm must acquire quickly, that of cultural capability, its capacity to deal with and understand the culture of the host country and that of the host field. This is a resource that the subsidiary cannot expect to receive from its parent firm, it has to build its own capability, its own resource. This is the natural barrier of entry to this market: if the subsidiary acquires the resource, it will penetrate the market, but otherwise it will lose legitimacy which will affect the parent firm, and it will have to return home.

9. CULTURAL CHANGE

The subsidiary suffers the cultural influence of the host environment and at the same time of the parent firm (Kostova & Roth, 2002). The reaction of the organization to these influences is adaptation and support of the dominant values which is part of a tendency towards the consistency of cultural elements (Sutton, 1974).

Finally all of this sequence of interaction, socialization, internalization and change becomes in itself a new culture, sharing elements from one or the other. This is called hybrid culture which consists of “an emergent and simplified set of rules and actions, work capability expectations, and member perceptions that individuals within a team develop, share and enact after mutual interactions” (Earley & Mosakowski, 2000, p. 27). In the measure that this hybrid culture gains legitimacy, it will become institutionalized. New ideas become legitimized by a process of mimicry (Grenwood et al., 2002), which according to Scoot (1995) is produced when the ideas are adopted by other people and are supposed to provide profits. So the new culture will become institutionalized when it is adopted by the members of the organization and is profitable for the parent and for the subsidiary firm.

Finally, the subsidiary becomes the place of interaction for all these factors that influence the firm. In this case the resource key is the organizational learning, which means that get better understanding and knowledge help the firm to improve its actions and results (Fiol & Lyles, 1985). But it is not only a question of learning; the new knowledge has to be analyzed, the firm gives to this knowledge its own meaning, which is naturally compatible with its own frame of reference, and in this way produces a new resource, a hybrid culture, which is useful when communicating with the host environment and with their own employees.

10. CONCLUSIONS

There are enterprises that independently where they operate, their organizational culture remains almost unchanged; the possibilities of drastic change are very low, and their dependence on the managers is reduced to a minimum. This type of enterprise has an institutional culture, and its institutionalization process is very complex with many interactions, successes, errors, etc. The norms and rules that characterize the institutional practices are in the cognitive level of the organization.

One of the most important intangible resources is the organizational culture. This organizational culture has to interact with the host environment and depending on its characteristics, the firm may reap benefits. An adequate organizational culture could drive the firm to be accepted into the host environment, which would have positive repercussions at the level of its markets, the acceptance of its products, in the field and in the creation of networks which assures the positive flow of field information and resources. At the internal level, the policy is that the employees from the host country see the firm as being part of their country, which legitimizes the firm into their new environment. This can lead to the legitimacy for the parent firm, if the resultant goods are transformed into acceptable economic results.

The level of institutionalization emanating from the host country is important from both the institutional theory and the resource-based theory. In considering the institutional theory, the most institutionalized of all organizations is the country, with the most rules, norms, and laws which contribute to augment the isomorphic pressures. The reaction of the subsidiary is defensive; it has to adapt itself to this constringent environment. On the other hand, more rules, norms and laws also means a constant flow of information (Guler et al., 2002) and security of resources, which is good for the firm. But first it must penetrate the field; in this case the barrier is the organizational culture which is more cohesive than that of another less institutionalized country. Should the subsidiary manage to connect its own organizational culture to that of the host country, it will have penetrated the field.

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DOES THE TEACHER EDUCATION CURRICULUM IN SOUTH AFRICA OR IN SOUTHEAST ASIA EMPHASISE SCHOOL GRADUATE EMPLOYABILITY FOR PARTICIPATION IN GLOBALISED LABOUR MARKETS?

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ABSTRACT

This paper is based on the premise that the 'global competitiveness' of a national education system is influenced by the quality of its teaching corps, which is in turn shaped by its teacher education institutions. Teachers and teacher education are becoming a central focus of strategic national attention because they are recognized as crucial contributors in the creation of a 'globally competitive' national workforce. This paper asks two questions: (1) How well has South Africa managed teacher education to maximize the teacher's role in preparing school leavers to take up positions in the global labour market? (2) Have countries in South East Asia formulated similar policy and implementation plans to maximise the impact of teacher education in preparing school leavers to find work opportunities in globalised industries? The curriculum of the new South African democracy emphasised social harmony and forming new pedagogical relationships: neither school curriculum nor teacher education policy prioritized school leaver employability in the labour market. In Southeast Asian countries, domestic curriculum priorities such as social cohesion, cultural identities, modernization have played a very powerful role driving teacher education policy making in the same direction. The preparation of school leavers for global labour market participation is unlikely to become the sole overriding curriculum aim in any country but is historically contingent on domestic politics.

KEY-WORDS: globalisation, school leavers, teacher education, South Africa, Southeast Asia

1. INTRODUCTION

This paper is based on the premise that the 'global competitiveness' of a national education system is influenced by the quality of its teaching corps, which in turn is shaped by its teacher education institutions. In countries across the globe, teachers and teacher education are a central focus of strategic national attention because they are recognized as crucial contributors in the creation of a 'globally competitive' national workforce (eg: Sinlarat, 2002). Cohorts of school leavers who are well equipped to participate in the workforce or to study further for a professional career, can leverage local economic growth and attract inflows of foreign investment. Therefore, policy makers are looking further upstream in the education-skills value chain to teacher education to find ways of improving national education and training outcomes (eg: Cheng, Chow & Mok, 2004; Codd, 2005).

There are two key requirements that require attention: (i) a teacher education curriculum that gives emphasis to the skills most valued in globalised workplaces (e.g. that are technology rich, information rich, and require strong teamwork and communication competencies, language competencies, problem solving and critical thinking skills etc.) and that equips teachers with the capacity to transfer the appropriate skills and knowledge, and (ii) sufficient supply of trained teachers to ensure that as far as possible, no school or learner is denied access to appropriately qualified teachers. This paper will pay attention mainly to the initial professional education of teachers in higher education institutions but will take account of in-service training where appropriate.

2. RESEARCH QUESTIONS

The first section of this paper adopts a case study approach in addressing the question: Has South Africa managed initial teacher education policy, and the supply of newly trained teachers, to maximise the contribution of teachers toward preparing school leavers for a globally competitive labour market? The second section introduces a comparative dimension by posing the same question in respect to initial teacher education policy and supply of newly trained teachers in countries of Southeast Asia.

The South African case study was selected because that country has undergone major political and curriculum changes at the same time that global market oriented policies have threatened to impact more strongly on national policy. Southeast Asia was selected for this comparative analysis because the region has experienced consistent long term economic growth since the 1950s. Did a combination of globalisation and concomitant economic growth induce countries in the region to formulate education and teacher education policy to emphasise school leaver employability?

Though the main emphasis is on teacher education policy, related policy domains such as national education and curriculum policy, and national economic and development planning are referred to in this analysis.

3. TEACHER IMPACT ON QUALITY OF SCHOOL LEAVERS

This paper acknowledges that the positive impact of teachers on school quality, and in turn on learner performance and graduate employability is conditional on many factors including the presence of textbooks (and other learning materials) and exposure over time of students to teaching (duration of 'time on task' in the class). Also, this paper will not claim that teacher education impacts on all school leaver's employment in all workplaces. There are too many intervening influences and dependencies such as: the local economy may be poorly integrated into the global economy. In these scenarios, there will be low levels of opportunity for employment in globally distributed industries. In addition, there are large populations of people who are entirely marginalised from the global economy and who produce for local or household consumption.

4. METHODOLOGY

The first part of this paper constitutes an analysis of policy and research literature on curriculum and teacher education in South Africa since the 1970s. In the second part which considers comparative dimensions between South Africa and Southeast Asia, this paper draws on a set of international comparative studies that provide country by country analysis of teacher education in the region from the 1970s to 2007 (UNESCO, 1972; UNESCO, 1990; SEAMEO-RIHED, 2002; UNESCO, 2008) These sources are published by UNESCO, a non-partisan authority which upholds high research and data standards.

5. BACKGROUND TO SOUTH AFRICAN CASE STUDY

In South Africa, race prejudice is as old as the history of colonialism and racial discrimination which informed unequal distribution of education opportunities on the basis of race. The Bantu Education Act of 1953 provided for increased state control over schooling, and education policy was informed by the notion that a person's social role and responsibilities are defined by their ethnic identity, which justified white paternalistic control over segregated and unequal school systems for different race groups. The then Minister of Native Affairs infamously argued that Africans "should be educated for their opportunities in life," with no place for them "above the level of certain forms of labour" (Kallaway, 2002:14). Much more was spent on white than on black education. Though the number of schools for blacks increased during the 1960s, per-capita government spending on black education plummeted to less than ten per cent of spending on whites in the 1970s.

Popular resistance that took hold in the 1970s burned fiercely in the 1980s, with school students playing an important role in the mass democratic struggle that brought the apartheid regime to the negotiation table. Between 1990 and 1994, the dire needs of the education system were largely sidelined by negotiations between the African National Congress (ANC) and the last white government. In 1994 South Africa became a constitutional democracy, and the first democratic South African government was formed by the ANC which has remained the majority party in Parliament over the last four electoral periods. The new ANC government was faced with the daunting task of reengineering the entire governance system and redressing socio-economic inequalities. Despite the best efforts of government, the after effects of apartheid and colonialism are still embedded in racialised distributions of poverty that remain painfully evident.

South Africa's more recent liberation from racial discrimination distinguishes her from Southeast Asian countries that were colonised, and acquired independence from occupying powers at a much earlier stage between 1945

(Indonesia) and 1963 (Singapore). Malaysia as a plural society with ethnic cleavages focused education policy on nation-building after 1957. South Africa's contemporary need to foster social cohesion in a population divided by race seems to present a far greater challenge to national harmony and economic prosperity.

6. CURRICULUM REFORM IN SOUTH AFRICAN SCHOOLS

In the immediate aftermath of apartheid, the 'old' curriculum and teaching materials had to be cleared of offensive racial and discriminatory reference and rid of obvious bias. In the meantime a new curriculum 'Curriculum 2005' (C2005) reflecting the values of the new South African Constitution was designed to replace the predominant conservative pedagogical mode of apartheid education which had emphasised the student as a *tabula rasa*, rote learning, and authoritarian teaching styles. Grounded on outcomes-based education (OBE) principles, and informed by progressivist education theory, C2005 privileged a constructivist vision of learner centred education supported by continuous assessment (OECD, 2008:79-80).

Statements about the new curriculum reflect government's understanding of the nature of knowledge, its intention to close the dichotomy between theory and practise, and its recognition of the need for reconciliation and nation building in South Africa, e.g. "The curriculum will begin to integrate education and training – incorporating a view of learning which rejects rigid divisions between academic and applied knowledge, theory and practice, and knowledge and skills. It will foster learning which encompasses a culture of human rights, multilingualism and multi-culturalism and a sensitivity to the values of reconciliation and nation building" (Department of Education, 1997). The statement strongly demonstrates that creating a shared epistemology and building reconciliation were the central preoccupations of curriculum reform in South Africa – rather than the skills demands of globalisation. In this instance, the national curriculum policy would strongly dictate the direction of teacher education policy

However, the majority of teachers in the country were not familiar with the conception, or practices implied in the C2005 policy. An unintended outcome of the innovation was that teachers in disadvantaged schools struggled to master and implement the curriculum while those at historically advantaged schools had greater success, thus widening the performance gaps between schools. Teachers found themselves under severe time pressure from rising workloads involving preparation and continuous assessment. Furthermore, many felt disempowered by the new emphasis on the teacher as a facilitator of learning rather than as sole leader in the classroom.

By 2000 a Ministerial committee appointed to review Curriculum 2005 asserted that its implementation had been: "...confounded by a skewed curriculum structure and design; lack of alignment between curriculum and assessment policy; inadequate orientation, training and development of educators; learning support materials that are variable in quality, often unavailable and not sufficiently used in classrooms; policy overload and limited transfer of learning into classrooms; shortages of personnel and resources to implement and support C2005; and inadequate recognition of curriculum as the core business of education departments (OECD, 2008:80 citing Chisholm, et al., 2000a: pp. vi-vii). Based on recommendations made by the Ministerial review committee, a Revised National Curriculum Statement (RNCS) with the following features was adopted: it "combines a learner-centred curriculum requiring critical thought and democratic practice with an appreciation of the importance of content and support for educators. It aims to develop the full potential of all learners as citizens of a democratic South Africa. It seeks to create a lifelong learner who is confident and independent, literate, numerate and multi-skilled" (OECD, 2008:41). Notwithstanding this timely adaptation of C2005, a recent OECD report observed "ongoing concern that disparities in resources and educator preparedness make this modern, high knowledge, resource intense curriculum an inappropriate model in the South African context" (OECD, 2008:81).

This analysis has revealed two key features of South African national curriculum development between 1990 and 2010. First, that so soon after the demise of Apartheid, national social cohesion, and changes to pedagogical relations in the classroom were the overriding priority rather than school leaver quality and employment on the labour market, and second that implementation problems were central to the failure of the curriculum campaign. The South African experience reveals that: political exigencies (Jansen, 2001) have prevented the adoption of a curriculum to secure greater national labour market competitiveness; and that the appropriateness of the curriculum model and content, levels of educator preparedness, the presence of skilled teachers, and availability of classroom resources, can comprehensively thwart curriculum policy.

7. CONDITIONS AGGRAVATING DEMAND FOR AND CONSTRAINING SUPPLY OF QUALIFIED TEACHERS

The analysis will now turn to consider how increased teacher demand and constrained supply of newly trained teachers in the period after 1990 has aggravated shortages of teachers: especially in primary school, in subjects such as mathematics and science, and in rural schools.

7.1 Conditions contributing to increased demand for qualified teachers

After 1994, educators from eighteen different racially and ethnically divided education departments under apartheid had to be amalgamated to create a single teacher employment system. Thereafter, negotiation of new post provisioning with benchmarked learner-teacher ratios linked to curriculum objectives and Grade levels took place, followed by a 'rightsizing' process involving teacher rationalisation, redeployment and retrenchment. Many senior educators and school managers took early exits while schools serving remote and poor communities in most dire need of personnel hardly benefited because teachers shunned vacant posts in those localities (OECD, 2008:82-83). Schools serving more affluent communities which could bear higher school fee charges were able to employ additional educators in compensation for loss of posts and could select better qualified educators.

A relatively high proportion of the South African adult population are living with HIV, giving rise to concerns over teacher mortality. In a 2005 epidemiological study of the teaching profession, a methodologically sound study by a South African Human Sciences Research Council revealed that 12.7% of all educators were HIV positive with much higher rates among young (aged 25-34) African female teachers in rural areas (Shisana *et al.*, 2005:53). The impact of sero-prevalence on teacher shortages and supply is hotly debated, but is felt more sharply in rural areas and in the earlier phases of schooling which require teaching in the mother tongue. (Department of Education, 2006,10 cited in OECD, 2008:85).

A third factor reducing the number of teachers available to South African schools was the migration of newly qualified South African teachers to take up posts in the United Kingdom, Australia, New Zealand, and elsewhere in former British Commonwealth countries as well as the Gulf States and more recently in Taiwan and Korea.

It should be stressed that the factors observed above added to the replacement demand arising from teachers leaving the profession at retirement age and those who voluntarily leave the profession to work outside the education sector. Anecdotally it has been reported that qualified teachers leave the profession because their salaries are low, though a recent study of over 17 000 educators revealed that they earn, on average, a higher income than most other employed persons (Shisana *et al.*, 2005:46).

7.2 Conditions restricting teacher supply

From the 1950s a proliferation of teacher training colleges – or Colleges of Education - took place under the 'independent authority' of different racial and ethnic education departments in the South African 'homelands' and 'bantustans' to the extent that by 1994, 150 colleges were operating in the country hosting about 250 000 students. Newly trained teachers were produced more or less without regard to demand requirements of the country. Successive moves to reduce the number of colleges involved phases of college closures, amalgamation of colleges with other colleges and finally, incorporation of all remaining colleges with university education faculties. The dissolution of the colleges was promoted as an initiative to improve the efficiency and quality of the teacher education system.

Concurrently, universities were also rationalised. By the end of apartheid there were 36 higher education institutions. To cut down on costly duplication and improve quality, government restructured higher education through mergers and incorporations. The overall outcome was a system of 22 universities some of which incorporated the remaining former teacher training colleges. Consequently 18 out of 22 universities offer teacher professional education whereas in the 1990s more than 150 colleges and universities fulfilled this role. Closure of colleges and amalgamation with universities contributed to steady decline in graduate production of teachers that continued until after the millennium. The physical consolidation of teacher education facilities across the country

impacted on the operations of almost all institutions. The dynamics of institutional change as well as the pressure to adapt to the new national school curriculum limited energy and resources available to engage with teacher education policy and its link with economic development.

At the same time, since before the millennium the number of African women aged thirty younger and entering teacher-training programmes was in decline. Given that African women constitute the majority of South Africa's teachers, this decline is matter of serious concern. Paterson and Arends (2009) argue that young middle-class African women who might have enrolled for teacher training are electing to pursue careers other than teaching and to that end are enrolling for professional qualifications in other fields of study. At the other end of the socioeconomic spectrum, young African women from urban unemployed, urban working-class or rural poor households cannot afford higher education costs or are forced to terminate their studies prematurely.

Increased teacher demand concurrent with constrained supply of newly trained teachers in the period after 1990 aggravated shortages of teachers: in primary school Foundation Phase Grades, and in African language mother tongue, in subjects such as Mathematics and Science across middle and high school grades, and generally in rural schools. In particular there were very low numbers of students with mother-tongue competence in African official languages enrolling in for training in the Foundation and Intermediate Phases of the junior school. In 1994, 36% (122 459) of educators were considered unqualified or under qualified, this percentage had declined to 8.3% by 2004. The declining numbers of applicants for places in university teacher education programmes was cause for alarm for the Department of Education which moved to establish a national teaching bursary scheme, called *Fundza Lushaka* ("Educating the Nation") (OECD, 2008:84).

7.3 Teacher quality and accreditation

The success with which a new school curriculum can be implemented depends on the availability of properly qualified teachers. In 1994, at least one third of educators was considered unqualified or under qualified, and government moved promptly to reduce the number of unqualified and under qualified educators in the system through in service upgrading programmes provided by government and through students registering for qualifications at higher education institutions. By 2004, the percentage of educators considered unqualified or under qualified in 1994 (36% or 122 459) had declined to 8.3% by 2004. Through this period unqualified and under qualified teachers were more concentrated in rural schools and in junior schools. (Department of Education, 2005:26 cited in OECD, 2008:85)

Nevertheless, a range of internationally benchmarked studies (PIRLS, TIMMSS, SACQMEC) and national systemic assessments indicated declining – or at best static - school quality. A 2008 OECD report recently observed that "the majority of (South African) educators are not yet sufficiently equipped to meet the needs of a 21st century environment and their poor conceptual and content knowledge is a direct contributor to low levels of learner achievement (Department of Education, 2006i, p. 6 cited in OECD, 2008:85). Perhaps this is because a very large proportion of currently serving teachers were themselves schooled, received their professional education and began teaching when education was still part of the Apartheid project. (OECD, 2008:82 citing Department of Education, 2006:6).

In conclusion, an imbalance between demand and supply of teachers and difficulties in sustaining teacher quality impacted on the ability of the national teacher workforce to deliver on policy as envisaged in policy.

8. COMPARATIVE ANALYSIS OF KEY THEMES ADDRESSED BY TEACHER EDUCATION INSTITUTIONS IN SOUTHEAST ASIA

The guiding question in the following discussion is whether teacher education responded to the globalised labour market coming out of Southeast Asia in the same period share similarities with the South African case?

8.1 Focus of teacher education policy in Southeast Asia

For Malaysia in particular, education policy and teacher education has been explicitly linked in one dimension to an overarching 'national ideology' and in the other dimension it is embedded in current economic policy (the New

Economic Policy) as well as the long-term 'vision' document, 'Vision 2020'. Evidently, "formal education in Malaysia is viewed as an instrument for achieving national unity and equipping the country with appropriate education and training for economic development" (SEAMEO-RIHED, 2002:128). Nevertheless, even in the case of Malaysia, serving economic development was not the sole function of education, a point that will be explored later.

The modernising role of the teaching profession was even more explicitly expressed in China from the 1980s when Deng Xiaoping, resurrected the 'Open Door' policy that committed China to adopting policies which embraced market forces, and promoted foreign trade and economic investment. Deng drove the 'Four Modernizations' which comprised three economic thrusts, namely the modernisation of agriculture, industry and science and technology (the fourth was national defence). These macro-initiatives demanded investment in schooling and by corollary, teacher education which was "...perceived as a 'machine-tool' of the educational cause and the fundamental base for cultivating a new generation..." (UNESCO, 1990:24).

In this case, we see teacher education policy supporting other policies (SEAMEO-RIHED, 2002:64) underlying China's modernisation and ambition to achieve epochal socio-economic reforms. Put differently, China recognised that "without effective teacher education, the successful realisation of the country's aims to achieve modernisation (would) not be possible" (SEAMEO-RIHED, 2002:50). The Chinese government therefore promoted teacher education in China to "re-establish the dignity of teaching as a profession", to reemphasise the strategic role of teacher educators in the Four Modernizations drive and to expunge prejudice against the teaching profession and teacher education as a result of the Cultural Revolution. For instance, from 1985, Teachers' Day was inaugurated for annual celebration every September 10th (SEAMEO-RIHED, 2002:64).

Like Malaysia and China, Brunei-Darussalam has also explicitly linked teacher education with government's high level national planning, and puts great emphasis on education including teacher education as part of its National Development Plan (SEAMEO-RIHED, 2002:4-5). However, the close integration of educational and national development planning in the case of Brunei may be in part attributable to the relative ease with which small states can more easily manage an integrated approach to human resource development compared with large countries.

This paper began by making the argument that conditions of globalisation effectively pit national workforces and their underlying education/supply systems in competition with each other. Malaysia, China, and Brunei-Darussalam developed policy that signified preparation of school leavers in response to global labour market competition. However, in the case of China in the 1980s, we argue that the intention was to address internal labour needs and to accelerate transition to a modern economy rather than as a response to external global labour market pressures. So China appears to do the bidding of global markets but is actually behaving in terms of her own needs.

However the South African case study shows that in spite of global pressures for education policy and teacher education to focus on school leaver employability, this did not transpire. Instead, in the context of a political transition, the South African curriculum focused on social cohesion and learner centred pedagogy. This observation suggests that the supposed policy convergence effects of globalisation will not simply overwhelm national priorities. Indeed, exploration of the education policy environment in Southeast Asian countries reveals that teacher education policy has also been oriented to service many national needs other than school leaver employability.

The key source documents reporting successive teacher education surveys in Southeast Asia between 1980 and 2008 reveal that over time, a country might experience shifts in the official policy on education, and on teacher education. For example, the government of Malaysia has recently expressed the desire to raise education in Malaysia to world standards (UNESCO, 2008:77-82) which reflects an outward looking and competitive approach. Yet twenty years earlier Malaysia was seeking to consolidate its own cultural heritage through introducing new subjects, such as Citizenship Education and Islamic Civilization, "to promote greater awareness among student teachers regarding national norms and objectives, and to help reduce communal and geographical polarization." (UNESCO, 1990:32). These motivations had much to do with the religious politics of the time.

This interpretation of teacher education policy responding to different national needs across time is validated by the following synthesis of how historically teacher education in Thailand was harnessed in pursuit of a series of different goals from early twentieth century:

"In general, teacher education in Thailand for over a century has contributed to the development of the country in many aspects: a) national unification and creation of unity, transforming nation states into a

unitary state; b) inculcation of the national ideal; c) manpower production for civil service; d) local occupational development; e) modernisation through provision of modern education countrywide; and f) search for Thailand's identity through study of Thai culture for transmission of Thai values" (SEAMEO-RIHED, 2002,329).

8.2 Shared challenges for teacher education in Southeast Asia and South Africa:

In the case of South Africa, underestimation of the true magnitude of the task, low teacher quality/preparedness, and sluggish educator graduate production – amongst other factors contributed to low implementation impact of Curriculum 2005. Moreover, the circumstances giving rise to the failure of Curriculum 2005 were definitely not unique to South Africa, as the following observation about problems in teacher education in Indonesia reveals:

"The main issues include: (a) poor quality of school teaching, (b) changing expectations of teacher capabilities, (c) lack of accepted teacher performance standards, (d) need to improve teacher training curricula, (e) inadequate resources to support teacher training programmes, (f) inappropriate qualifications and or experiences of staff of teacher training programmes, (g) lack of research in teacher education and poor dissemination of findings on important classroom research, and (h) poor teacher supply system which resulted in oversupply and poor recruitment and distribution of teachers" (SEAMEO-RIHED, 2002,89).

When the authors of the 1990 UNESCO teacher education publication compared their findings with (the) previous 1972 UNESCO review of teacher education in Asia they observed soberly: "...apart from the expansion in teacher education systems referred to ... several problems and issues continue to be stressed in 1988, *as they were in 1972*" (emphasis added)(UNESCO, 1990,45). What this tells us is that by and large teacher education policy and implementation initiatives in many national education systems face similar lasting challenges as described for Indonesia. Some additional challenges include: complex curriculum governance structures, administrative burdens of multiple service providers, ineffective enforcement of standards, uncompetitive teacher remuneration, teacher union resistance, gender imbalances in recruitment and resource intensive in-service training.

9. CONCLUSION

This study comprised a case study which considered if and how teacher education policy and supply of graduate teachers in South Africa from the 1990s has addressed worldwide demand for local school leavers with skills and traits valued in globalised labour markets? This was followed by comparison with the policy responses of countries in Southeast Asia to the same issue.

The curriculum of the new South African democracy emphasized shaping social harmony and new pedagogical relationships: neither school curriculum nor teacher education policy prioritized school leaver employability in the labour market. Even if a curriculum to achieve the latter had been introduced, this would probably have failed because evidence suggests that South African schools were not ready for curriculum innovation of any form (Figure 1).

Pressure for school curriculum to respond to global labour market demand	Countervailing factors
Pressure to: - Produce a <u>globally competitive labour force</u> to provide employment and support economic growth - Design school <u>curricula to conform to skills demands of global industries</u> for relevant generic and specific skills - Design <u>teacher education curriculum to support</u> school leaver preparation	<u>Support for alternative national economic and social policies:</u> - Citizenship education - Manpower needs of local sectors eg: civil service - Social cohesion - Recognition of local identities
	<u>Factors mitigating impact of teacher education policy:</u> - Poor quality teacher education - Mismatch of teacher demand and supply - High teacher-student ratios - Poor implementation planning - Complex policy

FIGURE 1 - Factors impacting on implementation of teacher education and curriculum policy to prepare school leavers for participation in global labour force

There are persuasive arguments to the effect that pressurised by global economic forces, countries will give increasing curriculum attention to school leaver competitiveness in the global labour market. Under these circumstances, it seemed likely that teacher education would reflect such a preoccupation given the importance of global labour markets and value chains in determining national employment particularly in Southeast Asia which has sustained its economic growth while most other regions have stagnated or declined (Schuman, 2009). But, among Southeast Asian countries there has been no sign of an emerging wave of government sponsored curriculum and teacher education reform prioritising employability of school leavers on global labour markets. The analysis shows that the focus of teacher education policy and curricula is largely contingent on perceived national needs such as social cohesion and cultural identity amongst others (Fig 1). So, it seems unlikely that global market pressures for skilled workers will become an overriding teacher education policy goal.

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BUILDING AN INTEGRATED FRAMEWORK OF STRATEGIC MANAGEMENT THEORIES TO EXPLAIN PERFORMANCE OF FIRM IN ONE INDUSTRY

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ABSTRACT

This paper is rather theoretical approach and to answer research questions: is it possible to build a comprehensive framework integrated all these three theories (IO, OE and RBV) in strategic management to explain performance of firm in one industry? and how are all these three theories integrated conceptually? After reviewing literature related to all main three theories of strategic management, it can be seen that each theory looks performance from its own different perspective. This paper tried to argue a mechanism by complementary views among these three perspectives. As a result, a comprehensive integrated framework was proposed. In general, this paper is expected to make several contributions to mostly academics. It provides a good suggestion for future studies in this field.

KEY-WORDS: framework, performance, resource-based view, industrial organization, organizational economics

1. INTRODUCTION

Strategic management is one of pivotal fields of management in organization studies. Its development has been dramatic over the last four decades. There have so far been three main directions of strategic management field: *Industrial organization* (IO), *Organizational economics* (OE) and *Resource-based view* (RBV). IO focuses largely externally on industry structure and competitive position in industry. OE focuses on the firm boundary relationship on the way of swing back to RBV, in which internal firm characteristics are emphasizing.

Explanation of performance of firm is one of significant topic in field of strategic management. In order to explain performance of firm in their empirical researches, scholars have usually based on above theoretical directions. However, those researches have often applied only one of these three main theories or two in far rarer cases. In other words, there have been a very few comprehensive research applying over two theories in one study to explain performance of firm, even may be not any research integrating all these three theories as my best understandings. Therefore, there are research questions: is it possible to build a comprehensive framework integrated all these three theories in strategic management to explain performance of firm in one industry?; and how are all these three theories integrated?

This research paper aims at proposing a comprehensive integrated framework from all these three main and independent theories to explain performance of firm in one industry in general. It is not a simple combination among three theories; it is expected to propose a framework integrated at a proper mechanism.

2. THEORETICAL BACKGROUND

Firstly, it is necessary to briefly look a position of RBV, IO and OE in historical development of strategic management field. The development of strategic management field has been dramatic over the last four decades, in which the various historical emphases in its development process are illustrated in Figure 1 through using the metaphor of swings of a pendulum (Hoskisson, Hitt, Wan, & Yiu, 1999). Specifically, according to Hoskisson et al.

(1999), originally, strategy or strategic management has been considered as an applied area as business policy. Actually, it began in the 1960s with works of some famous scholars such as: Chandler (1962)'s *Strategy and Structure*, and Ansoff (1965)'s *Corporate Strategy*, which focus on internal firm characteristics. Although these works are considered as a foundation for strategic management, they were mostly oriented to be in-depth case analysis, the main methodological tool of study at the time. Unfortunately, the case approach with lack of generalization did not provide the base necessary for continued advancement of the field. The need for a stronger theoretical base and for empirical tests of the theory to allow generalization made a swing of the pendulum.

Because of its appropriate fit and influence, and much more scientific development in terms of methodology, the swing moved toward use of economic theory, particularly industrial organizational (IO) economics in the 1970s, to examine strategic management phenomena. This swing changed strategy research from inductive, case studies largely on a single firm or industry, to deductive, large-scale statistical analyses seeking to validate scientific hypotheses. The adoption of IO economics, especially the work of Michael Porter in the 1980s, is one of the most important contributions to development of strategic management, which shifted the research focus from the firm to industry structure and competitive position in the industry (Hoskisson, et al., 1999).

While IO economics emphasizes industry-level phenomena, strategic management is originally concerned with firm-level strategies. Application of the IO economics brought new and important contribution to the strategic management field. However, building on the early work of Ansoff and others, there remained some missing pieces of the puzzle. Research has shown that some firms perform better than others in the same industry and/or within the same strategic group. This suggests firm-level phenomena are important. Furthermore, the competitive context for many industries began to change, particularly with the development of global markets (as opposed to domestic markets). Thus, strategic management scholars returned their focus on the firm with organizational economics (OE). At a relative exact position, the focus of OE is a boundary relationship between the firm and its environment. It provided transaction costs economics (TCE) and agency theory in the mid-1970s, and important tools for strategic management researchers during this stage of the field's development (Hoskisson, et al., 1999). TCE has contributed much research on firm boundaries, markets versus hierarchies. For example, this work has led to many studies on the adoption of the multidivisional structure (for a review, see Hoskisson, Hitt, & Hill, 1993), and vertical integration and strategic alliances (B Kogut, 1988). Additionally, a substantial amount of studies on corporate governance has been spawned by agency theory (K. M. Eisenhardt, 1989). Both of these perspectives have been used to examine a variety of topics, such as mergers/acquisitions, divestitures, and downscoping (Hoskisson & Hitt, 1994), interfirm cooperation (Combs & Ketchen, 1999), outsourcing (Marsall, McIvor, & Lamming, 2007), and subcontracting (Kimura, 2002; Wyncarczyk & Watson, 2005).

Whereas transaction costs theory and agency theory from OE contributed substantially to our understanding of strategic management, there were still missing pieces of the puzzle. Some argued that there were idiosyncratic characteristics of firms that contributed to their competitive advantage (e.g., J.B. Barney, 1991; Wernerfelt, 1984). The heterogeneity among firms in the same industry (or strategic group), then, is of importance. The primary differentiation of firms is in their resources, tangible and intangible. The importance of resources, however, was not a new concept when considering the earliest works of strategic management field. Thus, the field was coming full circle, back to its roots with a renewed focus on firms' idiosyncratic resources. The renewed focus on resources was regarded as resource-based view (RBV) of the firm, which is the more recent theoretical contribution for the strategic management field. Theoretically, the central premise of RBV addresses the fundamental question of why firms are different and how firms achieve and sustain competitive advantage.

The recent rise of the RBV (e.g., J.B. Barney, 1991; Wernerfelt, 1984), along with the two closely related content areas: the strategic leadership and the knowledge-based view have returned attention to the internal aspects of the firm. Developing concurrently or emerging from RBV, the research sub-streams (strategic leadership and knowledge-based view) also focus on specific types of resources inside a firm. The strategic leadership is a potentially unique resource of the firm. Its research focuses on individuals (e.g., CEO or division general managers), groups (e.g., top management teams) or other governance bodies (e.g., board of directors). The knowledge-based view of the firm is an extension of the RBV by conceptualizing firms as heterogeneous, knowledge-bearing entities (Hoskisson, et al., 1999). Knowledge was classified into two categories: explicit or codified (Polanyi, 1966) or five dimensions: codifiability, teachability, complexity, system dependence, and product observability (Zander & Kogut, 1995). However, this study focuses on the central premise of RBV at its comprehensive approach, which is explained much more detailed in the subsequent sections, rather than the specific and underlying approaches of the

strategic leadership and the knowledge-based view of the firm. In short, it can be said that in the historical development of strategic management, there have so far been three main directions: IO, OE and RBV.

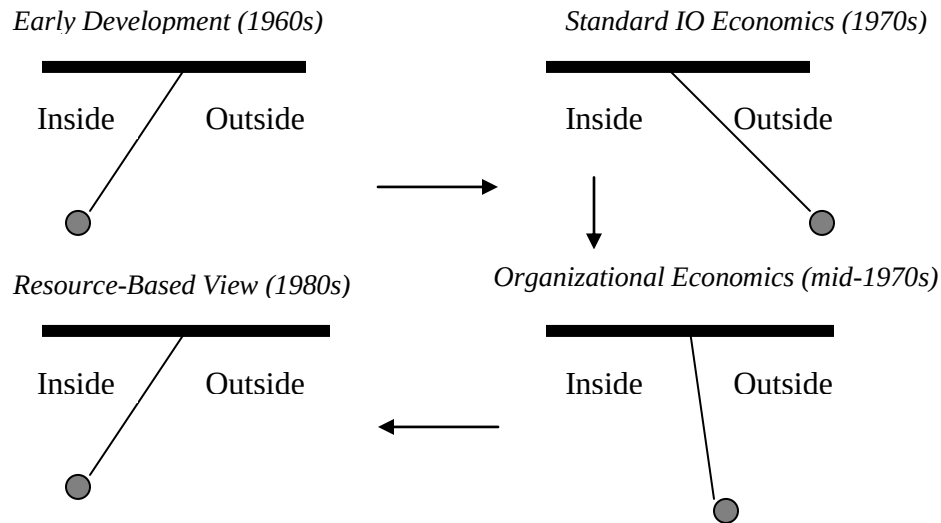


FIGURE 1 - Swings of a pendulum: Historical emphases in strategic management

Source: reproduced by author from Hoskisson, Hitt, Wan & Yiu (1999)

All these three main and independent directions can make really influential contributions to explain for a certain phenomenon in strategic management field. Due to the specific focus of each direction, it is necessary for a comprehensive research related to the strategic management field to apply all these three main directions. The comprehensive research here can be considered as a research about a specific phenomenon (i.e. performance) through multi-perspectives (RBV and OE and/or IO) in the research field. For instance, Combs & Ketchen (1999) used 94 publicly held restaurant chains in US to explain their performance based on RBV and OE perspectives. Marsall, McIvor & Lamming (2007) also based on RBV and TCE (one of central theories of OE) to explain the outsourcing process and outcomes in telecommunications industry. Spanos and Lioukas (2001) had tried to explain how IO and RBV play their role in business performance. They attempted to explain the complementarities between two perspectives and argued that both of views were needed to explain the performance. Rivard, Raymond, & Verreault (2006) also followed Spanos and Lioukas (2001) in building model upon the complementarities between IO and RBV to understand the contribution of information technology to firm performance. Galbreath & Galvin (2008) through studying 285 Australian firms explored the relative importance of distinct resources (RBV) and industry structure (IO) in explaining firm performance. By applying multi-perspectives, the comprehensive research is looked from unique insight of each one. In other words, although each of the independent perspectives has its own unique insight, they complement each other to create the comprehensive research. This paper also follows the comprehensive approach that applies multi-perspectives in the strategic management field. Specifically, it tries to apply all these three independent directions IO, OE and RBV. In other words, we are looking at performance on basis of three different aspects IO, OE and RBV.

2.1 Industrial organization perspective (IO)

It can be said that Porter (1980; 1985) made the most influential contribution to the field employing IO economics. Using a structural analysis approach, Porter (1980) outlines an analytical framework that can be used in understanding the structure of an industry. Whereas the concept of industry structure remains relatively unclear in the field of IO economics, Porter's (1980) Five Forces Model, by more clearly specifying the various aspects of an industry structure, provides a useful analytic tool to assess an industry's attractiveness and facilitates competitor analysis. The ability for a firm to gain competitive advantage, according to Porter (1980; 1985), rests mainly on how well it positions and differentiates itself in an industry. The collective effects of the five forces determine the ability of firms in an industry to make profits. To Porter (1980; 1985), the five forces embody the rules of competition that

determine industry attractiveness, and help determine a competitive strategy to “cope with and, ideally, to change those rules in the firm’s favor” (1985: 4). Therefore, as a refinement of the traditional S-C-P paradigm, and also a significant contribution to the field of strategic management, Porter’s framework specifies the competitive structure of an industry in a more tangible manner, as well as recognizes (albeit limitedly) the role of firms in formulating appropriate competitive strategy to achieve superior performance. Porter (1980; 1985) suggested generic strategies (low cost leadership, differentiation, and focus) that can be used to match particular industry foci and, thereby, build competitive advantage (cited in Hoskisson et al., 1999).

Central to Porter’s view of strategy is the notion of activities. For Porter then, strategy is a consistent array or configuration of activities (M.E. Porter, 1991: 102), aiming at creating a specific form of competitive advantage for which there exist two fundamental types: differentiation or low cost. These in turn, together with the scope of operations define the notion of generic strategies. Within this framework, strategy choice is the product of (and response to) a sophisticated understanding of industry structure (Spanos & Lioukas, 2001). Porter’s view can be illustrated by the following Figure 2. This view is also shared by Grant (2002) as indicated in Figure 4 in next section.

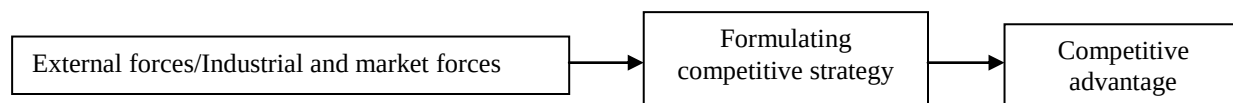


FIGURE 2 - Porter’s view framework

Source: outlined by author

2.2 Resource-based View

Over the last two decades, the resource-based view of the firm (RBV) has emerged as one of the most dominant theoretical perspectives in the strategic management field (Newbert, 2007). Looking back the development process of RBV in strategic management field, it can be seen that Edith Penrose was one of the first scholars to recognize the importance of resources to a firm’s competitive position. In 1959, she argued that the way in which a firm’s resources are employed affects its growth, both internally and then externally through merger, acquisition, and diversification. Specifically, she began by arguing that a firm consists of ‘a collection of productive resources’ and continued by suggesting that these resources may only contribute to a firm’s competitive position to the extent that they are exploited in such a manner that their potentially valuable services are made available to the firm (also see Newbert, 2007).

Rubin (1973) is argued to be one of the few scholars to conceptualize firms as resource bundles prior to the formal origins of the RBV (Wernerfelt, 1984). Similar to Penrose, Rubin recognized that resources were not of much use by themselves. Instead of merely possessing resources, Rubin (1973: 937) argued that ‘firms must process raw resources to make them useful.’ Based on Penrose and Rubin, Wernerfelt, in the first attempt at formalizing the RBV, argued that ‘for the firm, resources and products are two sides of the same coin’ (Wernerfelt, 1984: 171). In other words, while a firm’s performance is driven directly by its products, it is indirectly (and ultimately) driven by the resources that go into their production. However, because of the rather abstract nature of Wernerfelt’s (1984) seminal work, acceptance of this theoretical perspective did not immediately gain support from academic audiences.

Until several years later, appreciation for the RBV began to be widespread with the publication of two papers. The first was Prahalad and Hamel’s 1990 paper, ‘The core competence of the corporation’. In this paper, they argued that the critical task of management was to create radical new products, which was enabled by the exploitative nature of the firm’s core competences. Much like Penrose (1959) and Rubin (1973), these authors focused not only on static resources but also the firm’s inimitable skills, technologies, knowledge, etc., with which they are deployed. However, perhaps because Prahalad and Hamel’s 1990 paper was positioned as a paper for practitioners (Wernerfelt, 1995) and contained no testable hypotheses, its focus on resource exploitation was largely ignored at the time by empirical scholars. The second influential paper was Barney’s 1991 article, ‘Firm resources and sustained competitive advantage’. This paper is widely regarded as the first formalization of RBV. Based on works by Penrose (1959), Rumelt (1984), Wernerfelt (1984), and others, Barney (1991) based on two fundamental assumptions: that

resources (and capabilities) are heterogeneously distributed among firms and that they are imperfectly mobile. These assumptions conjointly allow for differences in firm resource endowments to both exist and persist over time, thereby allowing for a resource-based competitive advantage. Barney (1991) argued that firms that possessed resources that were valuable, rare, inimitable and non-substitutable would attain a competitive advantage and sustain these advantages over time, which in turn improve performance. Barney's (1991) conceptual model is interpreted parsimoniously in Figure 3.

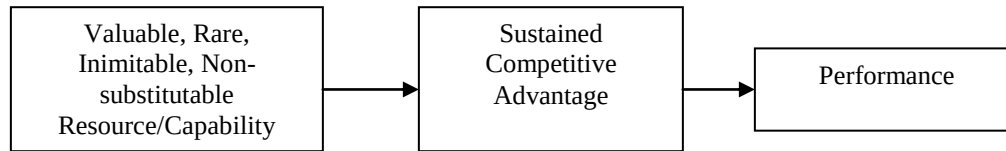


FIGURE 3 - Barney's (1991) conceptual model

Source: Reproduced by author from Barney (1991)

One of the primary critiques of Barney's (1991) expression of the RBV over time has been its rather static nature (Newbert, 2007). In response to this missing link between resource possession and resource exploitation, Mahoney & Pandain reminded scholars that 'a firm may achieve rents not because it has better resources, but rather the firm's distinctive competence involves making better use of its resources' (Mahoney & Pandain, 1992: 365). They continued by suggesting that firms that make the best use of their resources are those that allocate them in such a way that their productivity and/or financial yield are maximized. Similar arguments were put forth by Peteraf and by Henderson & Cockburn, who argued that to confer a competitive advantage to a given firm its valuable resources must be properly leveraged (Peteraf, 1993) or managed (Henderson & Cockburn, 1994). Subsequently, there have been a lot of theoretical work that began to emerge regarding the types of processes to which resources must be subjected in order to exploit their latent value, such as core capabilities (Leonard-Barton, 1992), competences (Fiol, 1991), combinative capabilities (B. Kogut & Zander, 1992), transformation-based competencies (Lado, Boyd, & Wright, 1992), organizational capabilities (Russo & Fouts, 1997), and capabilities (Amit & Schoemaker, 1993).

This attention to process led to the emergence of two theoretical approaches within the RBV. The first was Barney's VRIO (Valuable, Rare, Inimitable and Organizational) framework. Barney (1997) argued that in addition to simply possessing valuable, rare, inimitable (which by then included non-substitutable) resources, a firm also needed to be organized in such a manner that it could exploit the full potential of those resources if it was to attain a competitive advantage. He added that the implementation skills that could ensure proper resource exploitation included such organizational components as structure, control systems, and compensation policies (J.B Barney & Mackey, 2005). The second and radically new theoretical approach more specifically defined the types of processes by which firms could exploit resources. Teece, Pisano & Shuen (1997: 510) proposed the dynamic capabilities framework 'to explain how combinations of competences and resources can be developed, deployed, and protected'. To do so, they defined a dynamic capability as 'the firm's ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments' (D.J Teece, et al., 1997: 516). Building on the work of both sets of scholars, Eisenhardt & Martin later verified that dynamic capabilities 'are the organizational and strategic routines by which firms achieve new resource configurations as markets emerge, collide, split, evolve, and die (K.M. Eisenhardt & Martin, 2000: 1107).

Similar arguments and even more clarified, Grant (2002: 139) attempted to conceptualize a comprehensive framework of relationships among resources, organizational capabilities and competitive advantage (see Figure 4). Grant (2002) suggested that the basic and primary inputs into organizational processes are the individual resources of the firm such as financial capital, physical equipment, intellectual property, reputation, human resources, and so on. Nonetheless, in most cases, the resources are not so productive on their own. In order for the firm to create competitive advantage, individual resources must work together to initially establish organizational capabilities. Hence, it can be interpreted that these resources should go into processes to create the organizational capabilities needed to influence directly on the competitive advantage.

To explain more detail about Figure 4, it can be said that Grant originally focused on competitive strategy that is formulated from RBV and IO perspective. That is why the strategy was put centrally on the conceptual model, and industry key success factors (IO perspective) affecting to the strategy were also considered. However, whereas the previous section considered IO perspective (dot frame), this section only takes the remaining part of Grant's

framework (bold frame), which emphasizes a process based on RBV from resources through organizational capabilities to competitive advantage. In this process, the competitive advantage is expressed as an actual implementation of strategy. In this sense, Grant's model can be regarded as a comprehensive framework about process approach of RBV.

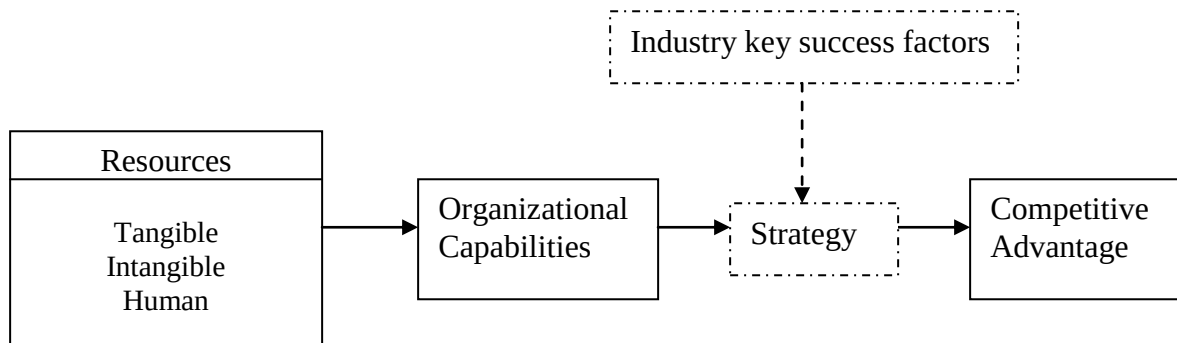


FIGURE 4 - The link among resources, organizational capabilities and competitive advantage

Source: Reproduced by author from Grant (2002: 139)

As such, until now, the RBV has come a long way over the past decade and a half. In that long way, since originally formalized by Barney in 1991, there have so far been many researches which focus on different approaches. Newbert (2007) categorized the theoretical approaches utilized by previous empirical studies of RBV into four types: resource heterogeneity, organizing approach, conceptual-level, and dynamic capabilities. The resource heterogeneity approach argues that a specific resource, capability, or core competence that is valuable, rare, inimitable and non-substitutable, when controlled by a firm, will affect its competitive advantage or performance. The organizing approach explains firm-level conditions in which an effective exploitation of resources and capabilities is implemented. Instead of identifying the actual resources that confer an advantage to a firm, scholars utilizing the conceptual-level approach try to investigate if attributes of a resource identified by Barney (1991) such as value, rareness, and inimitability, can effectively explain performance. Finally, the dynamic capabilities approach emphasizes specific resource-level processes influencing on competitive advantage or performance, in which a specific resource interacts with a specific dynamic capability as an independent variable.

According to Newbert (2007), among these four approaches, the resource heterogeneity one is the most widely used. The organizing approach, conceptual-level, and dynamic capabilities approaches are the second, third and fourth most employed, respectively. One of the reasons for that is related to the measurement of variable, in which a specific resource is quantified somehow more easily than capabilities (Newbert, 2007). However, based on a detailed analysis of all approaches, Newbert (2007) finds out that the most widely used approach -resource heterogeneity- is not the one which received the strongest support from empirical tests. It is also concluded that the firm's organizing context and its valuable, rare, inimitable capabilities (dynamic and otherwise) and core competencies may be more important in determining its competitive position rather than its static resources identified mostly by the resource heterogeneity approach.

From Newbert (2007)'s categories and the development process of RBV since its formalization in 1991 by Barney, it can be understood that the resource heterogeneity and the conceptual-level approach are mostly based on Barney's (1991) model as illustrated in Figure 3. The organizing approach follows the type of process approach by Barney's VRIO (1997). The dynamic capabilities approach expresses the new theoretical approach of process by Teece, Pisano & Shuen (1997) and Eisenhardt & Martin (2000). By looking Grant (2002)'s comprehensive framework (Figure 4) and Newbert (2007)'s categories, it can be said that Grant (2002)'s framework inherits the insights of the process approach categorized as the dynamic capabilities one by Newbert (2007). However, Grant (2002) developed his framework into a more comprehensive process from resources to organizational capabilities by resource integration process and then from organizational capabilities to competitive advantage by business operation process (see Figure 5).

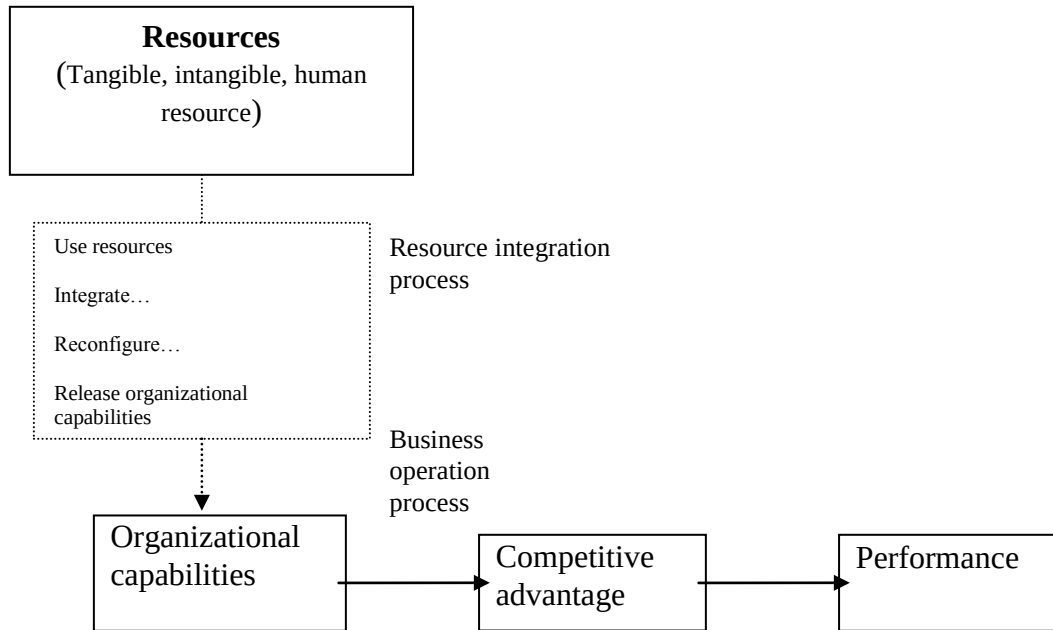


FIGURE 5 - Detailed conceptual description of relationships among resources, organizational capabilities, competitive advantage and performance.

Source: Modified by author based on Grant (2002: 139)

In the comprehensive process by Grant (2002) above, the term “organizational capabilities” may have different implication from types of capabilities used in many previous researches. Generally speaking, by reviewing previous empirical studies, it can be said that there are three types of capabilities: the first is understood as specific or individual, the second is processes, and the third is the organizational capabilities. In the first type, capabilities are characterized as skills or expertise of employees, or intangible resources such as reputation or culture (Carmeli & Tishler, 2004), which seem to be quite specific or individual. In this sense, capabilities are only considered as the basic inputs equivalent to the specific resources or parts of overall resources in Grant (2002: chap. 5)’s definition (J. Galbreath, 2005; Grant, 2002). On the other hand, in the most recently emerging trend of RBV, scholars have emphasized more on firm’s capabilities as processes. Although authors of many researchers used some different terms such as ‘combinative capabilities’, ‘capabilities’, ‘architectural competence’, and ‘dynamic capabilities’, their definitions of these terms all indicate the firm’s processes that use specific resources and integrate them together, reconfigure and release new resources of competitive advantage. These new resources can be regarded as output of the processes that turn out to be input of new processes (business operation process) toward competitive advantage. We do not hesitate to name the output of the resource integration processes as a third type of capabilities. This third type can be called organizational capabilities that Grant (2002) implies in the comprehensive framework showing the relationships among resource, organizational capabilities and competitive advantage (also see Figure 5). Moreover, in that sense, it can be said that the term ‘resource-based capabilities’ used in the empirical studies by Chandler & Hanks (1994), and Wang & Ang (2004) should be listed in the third type. Based on the development stream of RBV that focuses increasingly on the process approach and Newbert (2007)’s conclusion about its explaining strength from previous studies, and his suggestion on researching this approach as well, this study emphasizes on the new process direction (dynamic capabilities) by applying the comprehensive framework of Grant (2002).

2.3 Organizational Economics

As mentioned briefly above, OE is one of major perspectives in the strategic management field, which swing the strategic management pendulum further away from the industry level emphasis and toward a firm level of analysis (Hoskisson, et al., 1999). OE focuses on identifying actions or organizational ways of economic activity that minimize the costs of governance which, in turn, maximize performance (Combs & Ketchen, 1999). According to

the viewpoint of OE, the various intra- and inter-firm arrangements or linkages (i.e., vertical integration, joint ventures, share acquisition, alliances, subcontracting, outsourcing, franchising, licensing) observed in contemporary economies represent alternative ways of organizing the exchange of goods and services in the context of self-interested behavior, diverging goals, and imperfect information (Combs & Ketchen, 1999).

There are two theories that are the most central to the OE: transaction costs economics (Williamson, 1975) and agency theory (Fama, 1980). Both theories, especially transaction costs economics are based on Coase's (1937) critical insight on transaction costs that makes organizations exist because the cost of managing economic exchanges between firms (transaction costs) is sometimes greater than that of managing exchanges within firms. Transaction cost economics focuses on the characteristics of an exchange that encourage managers to increase firm boundaries (i.e., full ownership by vertical integration), share with others (i.e., interfirm cooperation, subcontracting, joint venture, franchising, licensing), or exchange in markets (Combs & Ketchen, 1999). Among the exchange conditions initially identified by Williamson (1975), asset specificity defined by the geographical, physical and human features is perhaps the most robust empirically (Williamson, 1994). Specific assets, in contrast to general purpose assets, are costly to redeploy to alternative uses (Williamson, 1991). Asset specificity generally encourages enlargement of a firm's boundaries because, if the firm invests in specific assets in the context of a cooperative arrangement, it has little recourse if a partner attempts to alter the terms of their agreement *post hoc* (Anderson & Coughlan, 1987). If such opportunism arises, the firm faces an unpleasant choice between continuing to work with its recalcitrant partner and forgoing the expected value of its specific assets (Combs & Ketchen, 1999). However, under certain conditions, asset specificity encourages share or cooperation between firms (Williamson, 1983). When both firms in a cooperative agreement must invest in specific assets, the assets form a reciprocal dependency that reduces each partner's incentive to engage in opportunism, thus reducing the costs of the cooperation (Dyer, 1996). Hence, whereas unilateral investments in specific assets should lead to full ownership, mutual investments under a certain agreement can encourage the cooperation (Combs & Ketchen, 1999).

A second OE perspective, agency theory, actually it has two streams so called normative principal-agent theory and positive agency theory (Combs & Ketchen, 1999). The former is found primarily in the economics literature and uses mathematical models to present how optimal employment contracts can be designed under various sets of assumptions. Whereas the former is generally not considered compatible with strategic management (R.P. Rumelt, Schendel, & Teece, 1994), the latter is choice of strategic management researchers (Hoskisson, et al., 1999). The positivist theory focuses on exchanges where one party, the principal, delegates responsibility to another, the agent (K. M. Eisenhardt, 1989). Normally, self-interested agents are expected to pursue their own goals, not those of principals. As a result, the firm (as principal) must spend resources monitoring and controlling the behavior of its agents (e.g., employees, managers, cooperative partners). The costs of such monitoring varies with the ease with which information about agents' job performance is available and can be effectively evaluated (Eisenhardt, 1989). In situations where the costs of direct monitoring are high, principals often substitute incentives that stimulate agents' goals toward principals' rather than attempting to oversee agents' activities directly (Eisenhardt, 1989). Moreover, in some certain types of cooperation, forcing agents to take an equity position in the operations under their control is a common way to realign agents' goals (Phan & Hill, 1995). Under credible commitments, cooperative relationship offers this type of incentive because cooperative partners' rewards are largely dependent upon their own performance outcomes (e.g., Combs & Ketchen, 1999). Moreover, the agency theory has also been based to analyze a risk sharing mechanism in the cooperative arrangement among firms. Several empirical researches in Japanese automotive industry Okamuro, 2001; Tabeta & Rahman, 1999), in Korean automotive industry (Yun, 1999), and in Italian air-conditioning industry (Camuffo, Furlan, & Rettore, 2007) revealed that the buyers (large customers, assemblers) partially absorb the business risk of the suppliers. Subcontracting relations can no longer be explained by the "big guys exploiting small guys" hypothesis, subcontracting is essentially the risk sharing mechanism based on an economic rationale of maximizing mutual benefits (Yun, 1999).

Both transaction costs economics and agency theory suggest that the inter-firm cooperation that minimize transactions/ agency costs and share risk can be expected to provide adopting enterprises with a competitive edge. In order to understand more about benefits of inter-firm cooperation, subcontracting – a form of inter-firm cooperation – is taken as a good example. Subcontracting refers to the purchase of a part or component of a product or process from a different firm (Kimura, 2002). Specifically, subcontracting means long term transactions with specific companies, in which the firm offering another independent enterprise the subcontract requests to undertake the production or carry out the processing of a material, component, part or subassembly for it according to

specifications or plans provided by the firm offering the subcontract (Holmes, 1986, p.84, cited in Taymaz & Kiliçaslan, 2005, p.634).

Reviewing more specifically previous empirical researches, the subcontracting arrangement can bring several benefits to contractors/subcontractors. Firstly, the information and transaction costs are reduced through a long term and frequent exchange. Secondly, risks and uncertainty also decline and thus the rate of profit is expected to increase as a consequence of stable orders and better payment conditions. Thirdly, capital pressure is less because an enterprise would need a big amount of capital if it produced all the product components. Fourthly, the creditworthiness is improved (e.g. debt guarantee by contractors) (Honda, 1992, p.176-178 cited in Hayashi, 2002; Kumar & Subrahmanya, 2007). Lastly, through subcontracting ties, the provision of technical assistance and second-hand equipments to subcontractors enable them to improve on quality, cost reduction and delivery of products (Hayashi, 2005 cited in Kumar & Subrahmanya, 2007). In short, both contractors and subcontractors can enhance their competitiveness and performance through a subcontracting relationship. From the view of OE, the exchange conditions (e.g., asset specificity) are generally not associated directly with performance (Williamson, 1994). They only affect performance after organizational arrangements have been selected from both contractors and subcontractors' perspective (Combs & Ketchen, 1999). In other words, the direct relationship between inter-firm cooperation and performance may be hypothesized in this study (Figure 6).



FIGURE 6 - Relationship between inter-firm cooperation and performance

Source: Outlined by author

3. PROPOSED CONCEPTUAL FRAMEWORK

This section will argue a mechanism by complementary views among three perspectives to propose a comprehensive integrated framework. As presented in previous sections, it can be seen that how performance of firms in one industry is explained by each perspective independently. However, this paper follows the comprehensive approach to explain performance of firm. It means that all three perspectives RBV, IO and OE should be integrated in an appropriate mechanism to complementarily explain the performance.

Firstly, for the complementary view between the two perspectives IO and RBV, it has been recently recognized that IO and RBV complement each other in explaining a firm's performance (Amit & Schoemaker, 1993; Mahoney & Pandain, 1992; Peteraf, 1993; Spanos & Lioukas, 2001). In fact, according to Wernerfelt (1984), Porter's framework and the resource-based view constitute the two sides of the same coin. Spanos & Lioukas (2001) intuitively argued that value creation stems from the fit of internal capabilities to the strategy pursued, and of strategy to competitive environment (cited in Barney, 1992). Moreover, it could be argued that the resource-based approach provides the "Strength-Weaknesses" part of the overall SWOT framework, while industry analysis supplies the "Opportunities-Threats" part (Foss, 1996). In this respect then, the two approaches are complementary simply because they cover different domains of application (Barney, 1991) within the context of SWOT analysis. While the resource-based approach emphasizes that focusing on firm effects is important in developing and combining resources to achieve competitive advantage, industry effects are also critical. Environmental changes "may change the significance of resources to the firm" (Penrose, 1959:79).

In addition, the complementary view of RBV and IO can be seen in Grant's (2002) framework (Figure 4), which formulation of competitive strategy is affected by industry effects (IO perspective) and organizational capabilities (RBV). This, in turn has impact on competitive advantage and then performance. This paper takes the complementary view on basis of Grant's (2002) framework due to its comprehensiveness. However, due to unavailability of measurement of the formulation of competitive strategy, it is assumed to occur implicitly into business operation process from organizational capabilities to competitive advantage. It means that there is no direct impact from organizational capabilities and industry effects on the formulation of competitive strategy, but industry effects moderate relationship between organizational capabilities and competitive advantage.

Secondly, for integrating between RBV and OE, Combs and Ketchen (1999) in their research reviewed three views of relating the OE and RBV in literature. First, the OE and RBV can be considered as independent explanations in which one perspective is used to explain the performance with a little consideration of the other. Second, they are complementary, in which each is offering unique insights that generally points manager in similar directions. Last view can be conflictive. This study considers the complementary view between OE and RBV to explain the performance, but not independent and conflictive explanations. On the other hand, RBV and OE are integrated to complementarily explain performance of firms at both direct and indirect relationship with the performance in this study. At direct relationship with performance, the reason is that inter-firm cooperation arrangement is the strategic choice of firms. In relative comparison with RBV, it is similar to an actual implementation of strategy that is equal to competitive advantage. At indirect one, it can be said that inter-firm cooperation arrangement will have different improvement impact to organizational capabilities of firm. The reason is that OE as argued above is related to organizational way to minimize the cost of economic exchange. So, it can significantly affect organizational capabilities of firm by arranging or allocating resources inside the firm. Based on a sequence of arguments above, a comprehensive integrated framework can be illustrated in Figure 7. It can be seen in this conceptual framework that performance of firms is complementarily explained from three perspectives of strategic management field; RBV, IO and OE.

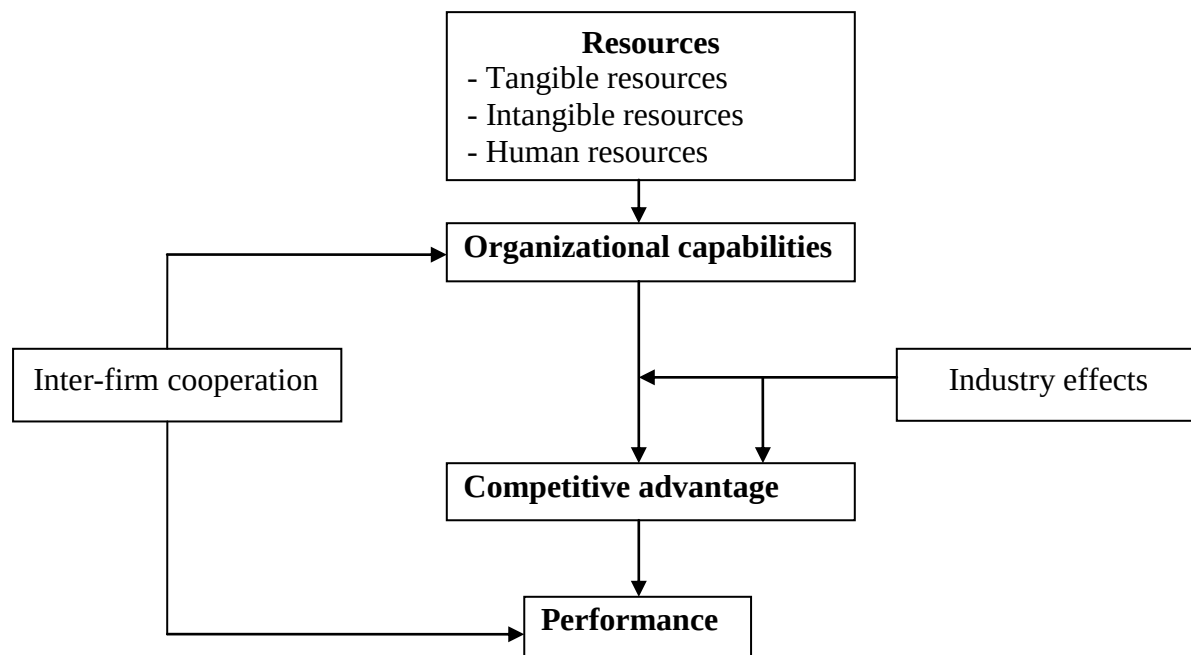


FIGURE 7 - Comprehensive Integrated Framework

Source: outlined by author

4. CONCLUSION

This paper is to answer research questions: is it possible to build a comprehensive framework integrated all these three theories (IO, OE and RBV) in strategic management to explain performance of firm in one industry? And how are all these three theories integrated conceptually? After reviewing literature related to all main three theories of strategic management, it can be seen that each theory looks performance from its own different perspective. This paper tried to argue a mechanism by complementary views among these three perspectives. As a result, a comprehensive integrated framework was proposed. In general, this paper is expected to make several contributions to mostly academics. Firstly, it is the first study trying to integrate all three main theories of strategic management

into a comprehensive conceptual framework to explain performance of firm in one industry. Secondly, during the process of literature review, this paper summarized all main points of each theory of strategic management, and thus providing useful reference for academics.

However, like almost all researches, this paper also faces some limitations. The first one is scope of applicability of the framework. This framework is assumed to apply for analyzing firms in one industry, but not firms in mixed industries. One industry (e.g supporting industry or textile and garment industry) will give a common background and decrease complicated factors among industries, which will help distinguish performance among firms. The second one is that the framework is not instant applicability. Any researcher who wants to apply the framework needs to review literature thoroughly to adapt to each situation. For the future studies, this framework is really needed to test empirically in different environment (industry, country, economies). By doing that, the framework can prove its applicability and be further improved. This research paper aims at proposing a comprehensive integrated framework from all these three main and independent theories to explain performance of firm in one industry in general. It is not a simple combination among three theories; it is expected to propose a framework integrated at a proper mechanism.

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ETUDE DE LA RELATION « QUALITE- SATISFACTION- INTENTION DE CONTINUER » : APPLICATION DU CONTEXTE E-LEARNING

RELATION STUDY « QUALITY- SATISFACTION - CONTINUANCE INTENTION »: IMPLEMENTATION OF E-LEARNING CONTEXT

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ABSTRACT

The purpose of this article is to show the causal link perceived quality →satisfaction →continuance intention in the context of e-learning. To do so, an experimentation was developed in a laboratory from a sample of 438 learners. The validation of causal model allows to verify the significance of these links and to propose recommendations for different actors in e-learning.

KEY-WORDS: E-learning, Perceived Quality, Satisfaction, Continuance Intention

RÉSUMÉ

L'objectif de cet article est de vérifier le lien causal qualité perçue →satisfaction →intention de continuer dans le contexte e-learning. Pour ce faire, une expérimentation a été élaborée en laboratoire auprès de 438 apprenants. La validation du modèle causal permet de vérifier la significativité de ces liens et de proposer des recommandations en faveur des différents acteurs du système e-learning.

MOT-CLEFS: E-learning, Qualité Perçue, Satisfaction, Intention De Continuer

1. INTRODUCTION

L'intention de continuer e-learning est considérée comme un bénéfice pour maintenir une relation stable et durable à l'égard des consommateurs apprenants par les chercheurs en marketing (Park et al. 2010).

Dans le contexte e-learning, l'accent est notamment porté sur les facteurs qui poussent les individus à adopter initialement l'e-learning (Ong et al. 2004). A cet égard, la majorité des recherches ont expliqué l'intention de continuer à utiliser e-learning en s'inspirant du modèle d'acceptation de la technologie dans les recherches en système d'information (Pazalos et al. 2012 ; Šumak et al. 2011).

A notre connaissance, aucune étude n'a étudié les facteurs de succès qui ont contribué à motiver les apprenants à continuer leur apprentissage en ligne en se référant à l'approche par la qualité perçue en marketing. Par conséquent, l'étude de l'impact de la qualité perçue e-learning sur la satisfaction de l'apprenant en ligne ainsi que sur l'intention de continuer est un thème encore peu exploré dans le contexte e-learning comme le montre la figure 1.

Dans cette perspective, l'examen de cette relation présente un intérêt croissant et constitue une opportunité majeure aux professionnels du marketing digital d'améliorer la qualité du service e-learning pour satisfaire les attentes des apprenants et les motiver à continuer leurs apprentissages en ligne.

Ainsi, cette étude mène également des preuves pour les marketeurs et les enseignants concepteurs de réaliser un scénario qui répond bien aux attentes des apprenants. A cet égard, le présent article s'attache à montrer la significativité et l'importance du lien causal entre la qualité, la satisfaction et l'intention de continuer, dans le contexte e-learning.

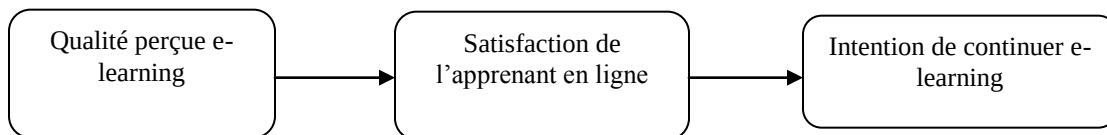


FIGURE 1 - Le modèle conceptuel

2. CADRE THEORIQUE ET HYPOTHESES DE LA RECHERCHE

2.1. E-learning

Les définitions du concept « e-learning » ont été variées et diverses, chacune est marquée par le domaine de prédilection des auteurs. Certains se focalisent sur le volet d'apprentissage et insistent sur l'aspect pédagogique alors que d'autres se penchent sur la révolution technologique (Sørensen et al. 2009).

Afin de dépasser les définitions trop restrictives et étroites, nous adopterons une vision plus large de la définition de l'e-learning proposée par la Commission des Communautés Européennes, qui en 2001 définit l'e-learning comme « *l'utilisation des nouvelles technologies multimédias et de l'Internet, pour améliorer la qualité de l'apprentissage en facilitant l'accès à des ressources et des services, ainsi que des échanges et la collaboration en ligne* ». Ce qui prime, à travers cette définition, c'est le volet spécifique celui de l'amélioration de la qualité de l'enseignement par l'utilisation des technologies de l'information et de la communication éducative (TICEs).

En conséquence, cette définition autorise certaines caractéristiques du e-learning. La personnalisation du parcours d'apprentissage selon le besoin et les préférences des apprenants, l'ouverture et la flexibilité (McVeigh 2009), la pédagogie centrée sur l'apprenant plutôt que sur l'enseignement en opposition aux modèles uniformisés de la formation traditionnelle.

2.2. Qualité perçue e-learning

L'étude de la qualité perçue est un axe très important dans les recherches en sciences de gestion sur le e-learning. Les travaux portant dans ce domaine sont issues du marketing des services (Udo et al. 2011).

Les premiers travaux sur la qualité se basent sur le paradigme de la disconfirmation utilisée dans la littérature sur les produits physiques (Parasuraman et al. 1985 ; Grönroos 1984). Ce paradigme stipule que la qualité résulte de l'écart entre ce qui est perçu et la performance attendue (Parasuraman et al. 1988) fait figure de référence.

En se basant sur l'optique du commerce électronique, la qualité perçue du service en ligne est définie comme *la façon dont un site web commercial facilite l'efficacité et l'efficacité de l'achat et de la livraison des produits et des services*, ceci a permis de transposer dans le contexte e-learning. La qualité perçue e-learning est définie comme « *la façon dont une plateforme éducative facilite l'atteinte des objectifs pédagogiques d'une manière efficace et efficiente et dans la mesure où elle conçoit l'offre de formation et veille à son contenu, sa transmission et au suivi de l'apprentissage* ».

Sur le plan managérial, la qualité perçue est considérée comme un moyen de différenciation. Un service de qualité e-learning efficace augmente la valeur ajoutée et assure une efficacité de servuction (Zeithaml et Bitner 2003). Ainsi, une meilleure qualité perçue e-learning permet aux institutions du domaine d'améliorer leur compréhension des attentes et des perceptions des apprenants ainsi que le service offert.

2.3. Satisfaction de l'apprenant en ligne

La satisfaction est devenue une préoccupation majeure dans le contexte e-learning (Wang et al. 2007). Elle se trouve son cadre théorique de référence en marketing et en système d'information compte tenu des débats qui ont enrichi ce

sujet. Nombreuses études ont entrepris de le définir et de le mesurer dans le cadre de la consommation de produits et services (Mano et Oliver 1993 ; Tse et Wilton 1988 ; Oliver et Desarbo 1988).

Dans le cadre de notre analyse, nous allons évaluer le concept de satisfaction dans son ensemble, nous n'allons pas insister sur le processus qui conduit à sa détermination. Le lien entre la qualité perçue et la satisfaction a été validée dans de nombreuses études en marketing (Ngobo 1997 ; Rust et Oliver 1994 ; Parasuraman et al. 1994b). Plus récemment dans le cadre e-learning, Lee et Lee (2008) ont mis l'accent sur l'importance que revêt la qualité e-learning sur la satisfaction de l'apprenant en ligne.

H.1. La qualité perçue e-learning agit positivement sur la satisfaction de l'apprenant en ligne

2.4. Intention de continuer e-learning

Un paradigme largement utilisé pour expliquer les facteurs motivationnels qui conduisent les apprenants à continuer e-learning (Lee et Kwon 2011). Le modèle de la confirmation des attentes « The Expectation-Confirmation Model » (ECM) (Bhattacharjee 2001a, b), qui explique que le comportement de continuer l'usage de la technologie de l'information.

L'intention de continuer est définie comme le degré d'intensité avec lequel un utilisateur est prêt à continuer l'utilisation d'un produit ou service dans le futur (Bhattacharjee et Premkumar 2004 ; Bhattacharjee 2001a, b ; Karahanna et al. 1999). Ces auteurs ajoutent que l'acceptation initiale est un premier pas important vers le succès des technologies d'information alors que la continuation est plus importante pour la viabilité à long terme des innovations en technologie d'information.

Les travaux en marketing ont confirmé que l'intention de continuer e-learning est la conséquence de la construction de la satisfaction des apprenants (Taylor et Baker 1994). Récemment, Lee et Kwon (2011) ont basé sur la théorie de la confirmation des attentes de Bhattacharjee (2001) pour justifier l'impact de la satisfaction sur l'intention de continuer. Ces auteurs ont montré que les expériences satisfaites à l'égard des services basés sur le web favorisent l'intention de continuer à l'utiliser dans le futur.

H.2. la satisfaction des apprenants en ligne agit positivement sur l'intention de continuer e-learning.

3. METHODOLOGIE

Dans le cadre de cette recherche, l'univers e-learning dans l'enseignement supérieur en Tunisie est choisi. La méthodologie adoptée est une expérimentation en laboratoire. Les apprenants sont invités à inscrire à la plateforme « Dokeos », en ayant recours au lien <http://marketing-enligne.m2i-groupe.com>. Ils ont été informés auparavant de toutes les tâches à suivre avant de commencer l'expérimentation.

La collecte des données a été effectuée à l'aide d'un questionnaire soumis à un échantillon de convenance de 438 apprenants qui étudient partiellement à distance, interrogés en face-à-face. Les sujets qui ont participé à l'expérimentation sont composés de 235 femmes (53,7%) et 203 hommes (46,3%).

Tous les étudiants sont en deuxième année gestion, leurs âges varient entre 20 et 26 ans. Et tous les individus (100%) ont la possibilité d'étudier officiellement en ligne. En plus, 437 individus, c'est-à-dire 99,8% ont indiqué qu'ils ont une connexion Internet à domicile ou au lieu de leur apprentissage, alors qu'un seul sujet (2,2%) a sélectionné la rubrique qu'il ne possède de connexion internet à domicile.

Afin de mesurer nos variables de recherches (la qualité perçue, la satisfaction et l'intention de continuer), nous avons utilisé plusieurs échelles déterminées à partir de la littérature. A cet égard, nous avons fait appel à l'échelle adaptée par Kort et Gharbi (2007) pour mesurer la qualité perçue e-learning. Par ailleurs, nous avons fait recours à l'échelle de Lee (2010) pour mesurer la satisfaction de l'apprenant en ligne et l'intention de continuer e-learning. Cette échelle a été d'origine développée par Bhattacharjee (2001a, 2001b).

4. RESULTATS

La méthode des équations structurelles s'avère être la plus adéquate pour notre étude. Cette méthode présente l'avantage par rapport aux autres techniques classiques de résolution des équations réside dans sa capacité à traiter simultanément des relations entre les variables et d'utiliser erreurs de mesure lors de l'estimation des modèles structurels (Roussel et al. 2002). Mais avant, nous présenterons la dimensionnalité et la cohérence interne des facteurs.

4.1. Etude de l'échelle mesurant la qualité perçue e-learning

L'analyse factorielle de l'échelle de l'environnement social révèle une structure multidimensionnelle. Elle indique un Kaiser-Meyer-Olkin = 0,88 et le test de significativité de Bartlett est significatif ($P < .001$).

Etant donné que la qualité de représentation des items est bonne. La matrice des composantes après rotation Varimax montre que les items se regroupent sous quatre dimensions, facilité d'utilisation, Qualité et quantité d'Information, sécurité et intimité et design et esthétique et personnalisation et interactivité.

Les résultats de l'analyse factorielle montrent que la variance totale expliquée de quatre variables latentes disposants d'un pourcentage cumulé de 54,88%. Par ailleurs, l'examen de la fiabilité interne pour chacun de ces dimensions montre que les Alphas de Cronbach sont supérieurs à 0,6.

4.2. Etude de l'échelle de la satisfaction de l'apprenant en ligne

L'analyse en composantes principales nous a permis d'aboutir à une structure unidimensionnelle de l'échelle présentée qui reprend les trois items originaux de l'échelle. La mesure de Kaiser-Meyer-Olkin indique une valeur statistiquement acceptable ($KMO = 0,606$) et aboutit à une solution factorielle pertinente. L'analyse factorielle permet d'expliquer 57,94% de la variance du concept. Par ailleurs, la fiabilité de l'échelle est jugée acceptable car l'alpha de Cronbach (α) est égal à 0,652 suite à l'élimination de l'item 2.

4.3. Etude de l'échelle de l'intention de continuer e-learning

L'analyse factorielle de l'échelle montre que les trois items mesurant l'intention de continuer e-learning soit associés à un seul facteur. Le seul ayant une valeur propre supérieure à un (soit 1,738), il saisie 57,920% de l'information initiale. En outre, le test de sphéricité de Bartlett est significatif ($p = 0,000$) et prouve l'existence d'une matrice de corrélations inter-items non nulle. La consistance interne de cette échelle est acceptable. Son alpha de Cronbach est égal à 0,633.

5. TESTS DES HYPOTHESES

Les relations supposées sont testées par des modèles d'équations structurelles via le logiciel AMOS.

Les résultats de l'analyse factorielle confirmatoire montrent un Chi-deux de 502,121 (ddl= 225), un Chi-deux normé de 2,232 ($\text{Chi-deux} < 5$; $p = 0,000$), un GFI de 0,90, un AGFI de 0,87. Par ailleurs, le RMR et le RMSEA se situent dans les normes requises : RMR proche de 0 et $\text{RMSEA} < 0,08$. Ces indicateurs démontrent le bon ajustement du modèle, il est donc acceptable (Hair et al, 2006 ; Roussel et al, 2002).

Par la suite, nous avons fait recours à des indices tels que le test de Student (CR) peut nous servir pour juger la significativité des relations causales entre les variables. Toutefois, les valeurs doivent être supérieures à 1.96. Les coefficients de régression sont aussi recommandés pour évaluer le sens et la force de la relation entre les différents concepts.

Les résultats montrent que les coefficients de régression standardisée indiquent que la qualité perçue e-learning influence positivement la satisfaction de l'apprenant en ligne. A cet égard, il est nécessaire de préciser profondément la spécificité de chacune des dimensions de la qualité perçue.

La relation entre la qualité perçue e-learning appréhendée à travers la qualité et quantité d'information, design esthétique personnalisation et interactivité, facilité d'utilisation et la satisfaction de l'apprenant en ligne a été validée

à la lumière des résultats fournis. Ainsi les coefficients de régression étant égaux respectivement 0,331, 0,300 et 0,243. Alors que pour la dimension sécurité et intimité elle n'est pas significative au seuil de 5%. Nous pouvons conclure à l'existence d'une relation partiellement significative et positive et hypothèse **H1** est partiellement confirmée.

De même que le coefficient de régression indique que la satisfaction influence positivement l'intention de continuer e-learning. L'hypothèse **H2** est validée.

Liens de causalité		Régression standardisée	CR	P
FU	→ Satisfaction	0,243	2,889	,004
QOI	→ Satisfaction	0,331	3,126	,002
SI	→ Satisfaction	0,079	,836	,403
DEPI	→ Satisfaction	0,300	2,596	,009
Satisfaction	→ Intention de continuer	0,728	5,395	0,000
* : P < 0,05 (significatif)				

TABLEAU 1 - Significativité des liens de causalité

6. DISCUSSION DES RESULTATS ET CONCLUSION

Nos résultats empiriques nous a permis de montrer la contribution des dimensions quantité et qualité d'information, Design et l'esthétique personnalisation interactivité et facilité d'utilisation de la qualité perçue e-learning à la satisfaction de l'apprenant en ligne.

Une plateforme ergonomique comportant des fonctionnalités interactives, et simple à manipuler et à présenter l'information du cours entraîne un niveau de satisfaction élevé. Autrement dit, la satisfaction de l'apprenant en ligne dépend conjointement des dimensions utilitaires comme la facilité d'utilisation et des par des dimensions plus hédoniques comme le design (Bressolles et al. 2007).

Ainsi la satisfaction de l'apprenant en ligne exerce un impact positif et significatif sur l'intention de continuer e-learning. En effet, plus les apprenants en ligne sont satisfaits de la qualité perçue e-learning délivré par la plateforme, plus ils ont l'intention de continuer à apprendre via ce dispositif. Ces résultats concordent avec les différentes recherches en système d'information de Kim et al. (2011), Chou et Chen (2009), Limayem et Cheung (2008), Chiu et al. (2005), Bhattacharjee, (2001a, b). Ils ont également montré le rôle essentiel que joue la satisfaction dans la détermination de l'intention de continuer e-learning.

6.1. Implications managériales et recommandations

D'un point de vue managérial, nos conclusions peuvent contribuer à attirer l'attention des marqueteurs et des enseignants concepteurs de changer le scénario de manière à considérer autant une logique de « push » que de « pull ».

C'est la raison pour laquelle l'université virtuelle doit assurer un dispositif e-learning qui satisfait les attentes des apprenants en ligne et garantit leurs continuité d'apprendre via ce dispositif dans le futur par la prestation d'un service e-learning organisé de façon à ce que l'apprenant en ligne puisse aboutir efficacement et aisément à l'information en lui proposant une offre personnalisé adapté dynamiquement aux différents besoins. Dans ce cas, le dispositif e-learning devrait être adapté à l'apprenant plutôt que l'apprenant s'adapte au dispositif.

6.2. Apports, limites et Voies futures de recherche

Cette recherche souffre des limites qui peuvent représenter des voies futures de recherche. La méthode d'échantillonnage de convenance adoptée constitue la principale limite de notre recherche. De ce fait, il est toutefois préconisé d'utiliser un échantillon d'apprenants déçus et ayant abandonnés pour établir un modèle robuste. Il sera souhaitable de répliquer cette étude sur une période diachronique qui permet de mesurer les attentes en début, en milieu et en fin de parcours.

Finalement, les perspectives de recherche laissent penser qu'il serait possible d'intégrer un ensemble de variables modératrices (notamment les variables individuelles ou/et situationnelles) afin de tester la stabilité du lien de causalité entre la qualité perçue e-learning et la satisfaction de l'apprenant en ligne.

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Cultural Intelligence: An Examination Of Expatriates In Two Countries using a mixed method approach

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ABSTRACT

A culture-specific method was used to examine expatriate leaders in two different countries UK and India. We used a mixed method approach to measure culture intelligence. The study was done in two phases, a quantitative and qualitative phase. Some significant relationships emerged and some significant difference were found in how CQ influenced the actions that expatriates take to deal with challenging situations in both countries. The implications of these findings are discussed.

KEYWORDS culture, expatriate, cultural intelligence, international

1. INTRODUCTION

As industry becomes more globalized it becomes imperative for business leaders to understand how their style of leadership influences and is influenced by cross-cultural differences. Human resource strategies in a globalized economy must focus not just on hiring competent individuals but also on individuals who have the skills to merge seamlessly in different cultures. It is therefore incumbent on business organizations to select culturally intelligent leaders to assume positions of responsibility in their global operations. The individuals they select must be adept with the operational aspects of the business and at the same time they need to display cultural awareness and sensitivity to changing conditions in the marketplace in terms of customers, suppliers, business practices, ethics and psychological aspects which have till now received scant attention in the literature.

A concept that has gained popularity in recent years is the construct of Cultural Intelligence (CI). In this globalized world that we live in today economic activity has assumed a global dimension, as Brislin, Worthley and MacNab (2006) have point out how CI is a critical construct for expecting and addressing unexpected events during intercultural encounters in so many contexts. In the process of globalization in almost all facets of human endeavor including business, technology, education, health care, conservation and global warming have made strategic issues. This warrants a variety of skills and the ability to deal with various cultures.

Earley and Ang (2003), in their seminal work, introduced the construct of cultural intelligence (CQ) as the capability to function in culturally diverse settings and interest has grown tremendously in this subject. Earley and Ang (2003) came up with a convincing theory about this capability. They argued that general capabilities such as cognitive intelligence, emotional intelligence, and social intelligence will not adequately explain individual behavior in certain cultural contexts such as when they are interacting with individuals from different cultural backgrounds. What they need is Cultural Intelligence or CQ. Ang and colleagues in a series of studies (Ang et al., 2007; Ang & Van Dyne, 2008; Van Dyne, Ang, & Koh, 2008) developed and validated a four-dimensional CQ model consisting of meta-cognitive, cognitive, motivational and behavioral scales.

Although several studies found have that cultural intelligence to be a key predictor of international assignment effectiveness (Kim, Kirkman, & Chen, 2008), integration in multinational teams (Flaherty, 2008) there is still a lack of empirically based studies linking CI to specific cultural contexts in specific cultures

Although the present authors have done several studies on cultural intelligence (Menon & Narayanan, 2008; 2009) and have looked at strategic models for a global economy and a empirical test of some of these models, individuals were not specifically examined in specific cultural contexts with an in-depth analysis in any of the previous studies.

THE PRESENT STUDY

This study was done in two phases, in the first phase, a quantitative analysis was done to classify CI leaders as high or low CI leaders. In the second phase a qualitative analysis was done and these leaders behaviors were examined in depth to understand the relationship of CI and the actions they take in specific cultures and their emotional reactions to the challenges they face

Earlier studies have primarily relied on the use of traditional scales and close-ended measures to assess CI. These do not adequately capture the unique and culture-specific experiences in the situations specific to each culture, especially if you want to understand this behavior in context. This study is unique and different from previous studies as we use a mixed-method approach and examine this quantitatively and qualitatively. In addition we use a culture-specific approach to examining the relationship of cultural intelligence specific situations in culture-specific contexts.

Phase I – The quantitative study

The sample

The sample comprised on 219 expatriates who were in working for the software industry in the UK and 234 expatriates who were working for the software industry in India. In order to control for gender differences the samples in both countries were male. The participants' age ranged from 29 -46 for the Indian sample and 29 – 49 for the UK sample.

Measures

Cultural intelligence

We assessed cultural intelligence with the CQS- Cultural Intelligence Scale Ang et al. (2007). There are four subscales on the CQS namely the metacognitive, cognitive, motivational and behavioral. The authors report the following reliabilities for each subscale. CQ (a = 0.88), cognitive CQ (a = 0.89), motivational CQ (a = 0.81), and behavioral CQ (a = 0.86). There were twenty items in all measured by a 7-point scale, responses ranged from strongly disagree to strongly agree.

The metacognitive subscale, CQ focuses on higher-order cognitive processes and measures capability to think about personal thought processes, anticipate cultural preferences of others, and adjust mental models during and after intercultural experiences. Metacognitive CQ reflects mental processes that individuals use to acquire and understand cultural knowledge, including knowledge of and control over individual thought processes (Flavell, 1979) relating to culture.

Cognitive CQ reflects knowledge of norms, practices, and conventions in different cultures acquired from education and personal experiences. This includes knowledge of economic, legal, and social systems of different cultures and subcultures (Triandis, 2006) and knowledge of basic frameworks of cultural values (e.g., Hofstede, 2001). Those with high cognitive CQ understand similarities and differences across cultures (Brislin et al. 2006).

Motivational CQ on the other hand demonstrates the capability to direct attention and energy toward learning about and functioning in situations characterized by cultural differences. Individuals with high motivational CQ direct attention and energy toward cross-cultural situations. This includes having a wide and flexible repertoire of behaviors.

Behavioral CQ reflects the capability to exhibit appropriate verbal and non-verbal actions when interacting with people from different cultures. Those with high behavioral CQ exhibit situationally-appropriate behaviors based on their broad range of verbal and non-verbal capabilities, such as exhibiting culturally appropriate words, tone, gestures, and facial expressions (Gudykunst, Ting-Toomey, and Chua, 1988).

Emotional reactions were also assessed on 11 emotions on a scale on 1 to 5 ranging from strongly disagreed to feeling this emotion to strongly agree to feeling this emotion. The emotions assessed were both positive and negative, they were Calm, Confused, Angry, Empathy, Frustrated, Disappointed, Anxious/Nervous, Annoyed, Self-Confident, Encouraged And Optimistic

Phase II – The qualitative study

Table 1 presents Mean score on all scales for both samples. Mean scores were obtained for the measures and in order to divide the sample into high and low CI groups, we looked at the frequency distribution of the total score on cultural intelligence by summing up all 4 subscales and we took divided the sample into the high score and low score group. Based on these scores obtained from Phase I of the study, participants from each country were classified as high or low CI individuals, we had 4 groups, two groups in each country. A total mean of 2.5 and below were classified as the low CQ group and 5 and below were classified as the high CQ group for the UK sample. The following were the subsamples used in this phase of the study. For the Indian sample, based on the distribution total mean of 2.7 and below were classified as the low CQ group and 5.2 and below were classified as the high CQ group. For the UK sample this resulted in 78 High CQ and 69 Low CQ individuals. For the Indian sample this resulted in 73 High CQ and 67 Low CQ group.

Table 1 – Mean and standard deviations scores for all scales for both samples on the CQS

INDIAN SAMPLE

SUBSCALE	MEAN	SD
Metacog	4.29	0.67
Cognitive	4.22	0.51
Motivation	5.21	0.65
Behavior	5.11	0.71

UK SAMPLE

SUBSCALE	MEAN	SD
Metacog	4.41	0.47
Cognitive	4.32	0.69
Motivation	4.82	0.84
Behavior	4.68	0.77

We used a modified version of the SIR, stress incident record adopted by Keenan and Newton (1985) and the present authors in earlier studies (Narayanan and Menon, 1999). Participants were asked to describe an event their work environment that was very difficult and challenging, next there were asked to describe the action they took to deal with this situation.

First, they described this event, then they were also asked what action did to deal with this challenge. They were asked to specify only the most significant action they took. To minimize memory distortions, they were asked to only describe events that had happened in the last six months. If there was no such event they were simply asked to state none. Their emotional reactions to these events were also measured.

Content analysis

We used a similar procedure that has been used in past research by the present authors (Narayanan & Menon, 1999) where two independent raters began to develop exhaustive categories of responses to this specific question. Categories that had the same theme were combined into higher-order categories. Categories that could not be combined in any way were placed in the “other” category. In the next stage a third rater was given these responses and categories scrambled and inter-rater agreement was the percent of times placed the responses in the original categories developed by the first two raters. Inter-rater agreement was relatively high and ranged from 90-92%. If there was disagreement this was resolved by consensus.

Results

Table 2 presents the frequencies of responses obtained from each category from the open-ended data. This includes the Action taken by the High CQ and low CQ group for each country and the High CQ and low CQ group for both countries.

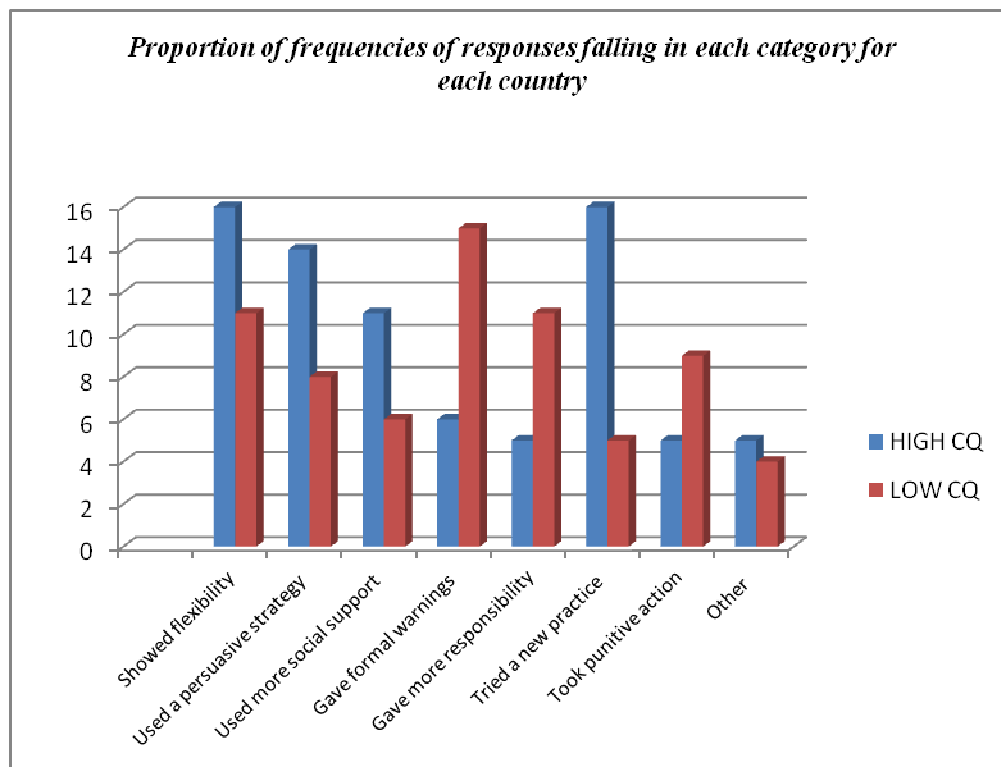
A 2 (CQ) X 8 (type of Action) Chi-square was done to test for significant differences for the action taken by the High and Low CQ group in each country. There were some significant differences found. $\chi^2 = (16.67, df, 7)$, $p < .020$. It was significant to find that the type of action taken by the high and low groups had some significant differences for both the countries. In the UK the high CQ dealt with problems most frequently using more flexibility or trying a new practice or doing things in new ways, and using persuasive strategies, while the low CQ group mostly used more formal warnings, showed more flexibility and showed more responsibility. In India, again significant differences were observed between the high CQ and low CQ groups, A 2 (CQ) X 8 (type of Action) Chi-square yielded a significant chisquare, $\chi^2 = (15.50, df, 7)$, $p < .030$, the high CQ group dealt with problems most frequently with changing rewards and incentives, being involved more socially and becoming more empathetic and low CQ group with trying new practice method or altering their beliefs.

Correlational analysis was done correlating CQ with emotional reactions, some significant relationships emerged for both countries. In the UK, there was a significant positive correlation between CQ and calm ($r = .33$, $p < .01$), CQ and self-confident ($r = .24$, $p < .01$), and CQ and Optimistic ($r = .25$, $p < .01$). There was also a significant negative correlation between CQ and Angry. ($r = .31$, $p < .01$),

Correlational analysis in India also yielded significant relationships. In India, there was a significant positive correlation between CQ and calm ($r = .29$, $p < .01$), CQ and empathy ($r = .27$, $p < .01$), and CQ and encouraged ($r = .25$, $p < .01$). There was also a significant negative correlation between CQ and confused ($r = .21$, $p < .05$),

UK

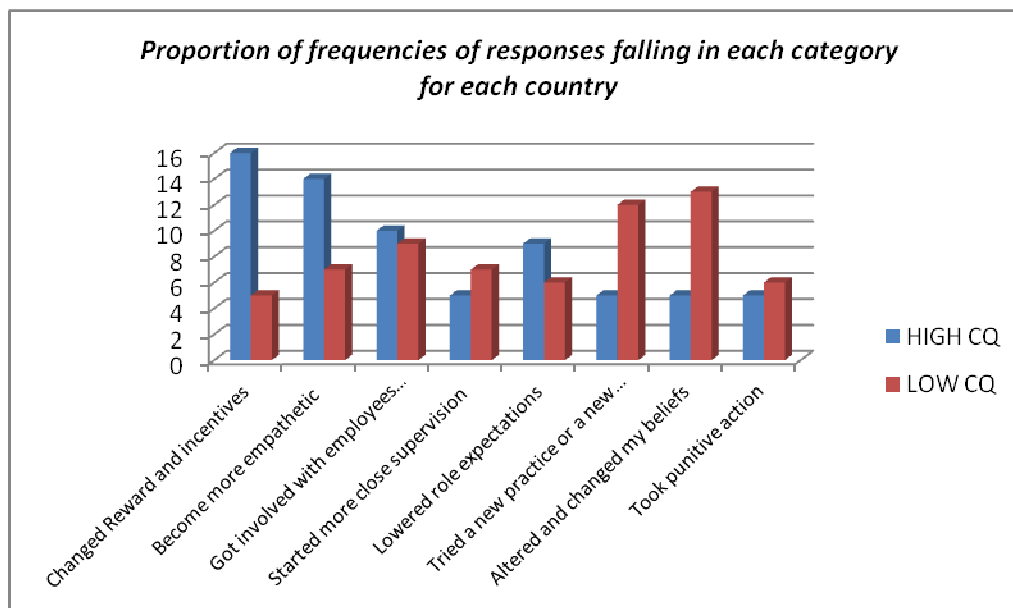
<i>Action taken</i>	<i>HIGH CQ</i>	<i>LOW CQ</i>
Showed flexibility	16	11
Used a persuasive strategy	14	8
Used more social support	11	6
Gave formal warnings	6	15
Gave more responsibility	5	11
Tried a new practice	16	5
Took punitive action	5	9
Other	5	4



INDIA

<i>Action taken</i>	<i>HIGH CQ</i>	<i>LOW CQ</i>
Changed Reward and incentives	16	5

Become more empathetic	14	7
Got involved with employees socially	10	9
Started more close supervision	5	7
Lowered role expectations	9	6
Tried a new practice or a new method	5	12
Altered and changed my beliefs	5	13
Took punitive action	5	6



We compared these qualitative responses to the Ang et al (2007) CQ scales. It appears that all the four scale components are reflected in the actions taken. However the motivation and behavioral responses are more frequent here and this could be because the measure required these leaders to state what actions they took. Another finding is that the qualitative research was lent support to the validity of the scale of Ang et al (2003). High CQ individuals took stronger and more positive actions in several cases and this was consistent in both countries.

The correlational analysis also lent further support to the CQ scales, it appears that more culturally intelligent individuals were more likely to react with more positive emotions such as being calm or self-confident, these results held across both countries.

This study is unique in that a qualitative and quantitative method was used to examine culture-specific behaviors of high CQ and low CQ individuals in two specific cultures in very specific situations. This in-depth analysis lends further support to the construct of CQ.

The significant results obtained in this study points out the important of examining the construct of cultural intelligence in a culture-specific context unique to the conditions of each country. These authors are not aware of any other studies that have taken this unique approach. Future studies should examine the relationship of CQ as measured by the CQS, the Cultural Intelligence Scales and qualitative measures using different occupations and also examining the influence of other independent variables. Using close-ended measures that ask questions about CQ will not adequately address the unique and specific conditions in any culture and may not always be adequate to address culture-specific challenges and problems.

We believe that these findings will have important implications for multinational and transnational corporations. An advantage of identifying specific challenges and specific stressors is that these may be more amenable for intervention, change, action as we attempt understand individuals working in different cultures need to have a better understanding of interacting in various cultures and incorporate cultural elements into the strategic management process as earlier researchers (Menon & Narayanan, 2008) have discussed.

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