

## **SHIFTS AND TRENDS IN THE FIELD OF COMPARATIVE MANAGEMENT**

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**Abstract:** The purpose of my study on comparative management is to analyse and understand the differences and similarities in management practices, strategies, organizational culture and other aspects related to management in different countries, regions or cultures. This type of study aims to provide a broader perspective on how organizations operate in a global context, identify patterns and trends in management, and provide knowledge that can assist in decision-making in a diverse environment.

An important novelty is the adaptation of comparative management to the increasingly common virtual work environment nowadays. How to coordinate and manage teams located in different geographical locations, considering cultural aspects and differences in working styles, becomes a crucial aspect.

Major events, such as pandemic, have had a significant impact on the global organization’s activity. How strategies, personnel policy and operations are adapted to such changes becomes an important research topic in this field.

How leadership styles are perceived and applied in different cultures can vary significantly. This can influence how decisions are made, communicated and teams motivated in different regions. Overall, the evolution of leadership styles may reflect changes in society, the business environment and management theories. Today, leadership styles are constantly evolving, with an emphasis on adaptability, diversity and team development. The research conducted in Sibiu's companies emphasized the importance of agile and adaptable leadership styles, especially for small businesses. The capacity to swiftly adjust to changes and demonstrate flexibility can significantly impact the outcome, distinguishing between accomplishments and shortcomings.

The main benefit of the study is to provide a broader perspective on how organizations adapt to cultural, economic and social diversity in the global environment and to provide valuable knowledge for improving the organizational performance.

**Keywords:** management styles, leadership, corporate culture

JEL Classification: M41, M21, O12

### **Introduction**

Comparative management studies differences and similarities in management approaches across cultures, offering valuable insights for organizations to adapt for global diversity. (Burke, 2010).

Effective cultural management, recognizing and appreciating diverse cultural norms and values, plays a pivotal role in organizational success, fostering an inclusive work environment promoting morale, productivity, and innovation (Strycharska & Ogórek, 2019). As the global marketplace becomes more interconnected, managing cultural diversity adaptively becomes increasingly crucial.

### **Cultural dimensions and management styles**

Comparative management understands culture's crucial role in shaping management practices. Hofstede's theory (Hofstede, G., 1980), highlighting aspects like individualism vs. collectivism, power distance, and uncertainty avoidance (Masuda *et al.*, 2020), provides a comparative framework for management styles in different countries, underlining the influence of cultural differences on organizational behavior and management strategies. How leadership styles are perceived and applied in different cultures can vary significantly. This can influence how decisions are made, communicated and motivated across regions.

Different leadership styles refer to the various approaches that leaders and managers adopt when exercising their authority, making decisions, communicating, and engaging with employees. These styles can differ greatly based on factors such as the leader's personality, organizational culture, and operational context (Frățiciu L. *et al.*, 2015).

Here are some of the most popular leadership styles (Agarwal, 2020):

1. Autocratic: Leader makes decisions without much team involvement.
2. Democratic: Encourages team participation in decision-making.
3. Charismatic: Leaders inspire and motivate, relying on charisma.
4. Transformational: Motivates employees to exceed expectations and emphasize organization's vision/values.
5. Transactional: Focuses on rewarding performance and ensuring compliance.
6. Laissez-faire: Gives high autonomy to employees in decision-making and task management.
7. Collaborative: Emphasizes collaboration and open communication.
8. Results-Oriented: Focusses on achieving goals and performance. Each style has pros and cons. Effective leaders can mix styles, relying on context, culture, and specific purpose.

Each leadership style has advantages and disadvantages (Cob *et al.*, 2021), and an effective leader can combine several styles depending on the situation and the needs of the organization and team. The right choice of style depends on the context, culture and specific purpose.

### **Institutional context and management practices**

Another important aspect of comparative management is the examination of institutional factors that shape management practices. Institutional theory suggests that formal and informal rules,

norms and regulations within a society influence management behaviour and organizational structures.

In Peng and Heath's (1996) research, for example, they explored the impact of institutional factors on management practices in China. They found that China's unique institutional context, characterized by *guanxi* (personal connections) and the influence of the Communist Party, significantly influenced management practices such as decision-making processes and organizational structures which is also available in Romania.

In the paper, we tried to emphasize the following 7 objectives regarding:

***01. Understanding cultural diversity:*** One of the main purposes of comparative management is to understand how culture influences management practices in different countries or regions. The study helps highlight how cultural values, norms and behaviours affect business decisions and how teams and relationships are managed in organizations.

***02. Identifying best practices:*** By comparing how organizations operate in different contexts, the study of comparative management can help identify best practices in various areas of management, such as leaders, strategies, human resource management, and innovation.

***03. Adapting Global Strategies:*** The study of comparative management provides critical insights for organizations with global operations. Companies can use learnings from one country to adapt strategies and practices to the specifics of other markets or cultures.

***04. Improving the operational efficiency of work teams:*** By analysing how organizations in different countries approach operations and processes, opportunities for streamlining and optimization can be identified depending on the specific context.

***05. Anticipating Challenges and Opportunities:*** The study of comparative management can help organizations anticipate and prepare for challenges and opportunities specific to each market or region. This may include issues related to legislation, culture, infrastructure and others.

***06. Developing leadership skills:*** By understanding how leaders adapt to the demands and expectations of different cultures, the study of comparative management can help develop leadership skills to function in a global environment.

***07. Contributes to the deepening of managerial theory and practice:*** The study of comparative management adds new knowledge to the field of management, contributing to the development of theories and revealing new trends and patterns in management practices.

In conclusion, the main purpose of the study undertaken is to provide a broader perspective on how organizations in Sibiu County adapt to cultural, economic and social diversity in the global

environment with the aim of providing valuable knowledge for improving organizational performance.

### Sampling

One of the decisive arguments in choosing as a unit of observation the organizations, consisted precisely in the positioning they have in relation to the organizations in the other three categories, from the point of view of the comparison criterion of expenses, in average value, with staff per employee. Considering that one of the important factors is enterprise size, we considered the class of enterprises with a number of employees between 50 and 249 to be representative because the cultural diversity of employees is the greatest<sup>2</sup>.

**Survey unit.** The survey unit, who answers the questions of the questionnaire, is represented by the employees of the companies chosen to be subjected to the study, selected preserving the proportions related to age, gender, level of training or occupied position.

### Characterization of the sample of surveyed individuals.

SC Co is a respected, 20+ year company in Sibiu, specializing in mechanics and automation with a commitment to product quality, professional development, and environmental stewardship, using modern equipment for manufacturing both locally and internationally. 157 employees, of which 58 women and 99 men, of which 5 women and 14 men had managerial duties, were selected from this organization to complete the survey questionnaire. in total 19 managers and the remaining 138 being persons without managerial duties.

The empirical research used selection data obtained from the observation of a sample for which the selection volume was 512 individuals of which 222 men and 190 women, aged between 18 and 67 years old.

**Table 1. Distribution of the sample according to gender and position**

Gender	Non-manager			Manager			Total	
	no.	weight	weight in total	no.	weight	weight in total	no.	weight in total
Men	125	0.39	0.30	65	0.69	0.16	190	0.46
Women	193	0.61	0.47	29	0.31	0.07	222	0.54
Total	318	1.00	0.77	94	1.00	0.23	412	1.00

Source: the author

### Research. Description and analysis of results

Using the data collected through the survey carried out on the 412 respondents selected from among the employees of medium-sized companies whose activity is carried out in the territory of

<sup>2</sup> Statistical Yearbook of Sibiu County in 2022

Sibiu county, in this section, we will present the results regarding the absolute frequencies of each type of possible answer, taking into consideration, on respectively, those questions of the questionnaire that were specifically designed to achieve the objectives.

The question: How important is intercultural leadership to you? is directly correlated with O1 and respectively O6, that of establishing what is the level of commitment of individuals, to their professional activity, to work, in general. Analysing the observed data, structured in table 2 as follows, we can find that for the researched sample, the lowest level of commitment to work is not found in any of the employees, even the next level '2' and respectively the average level '3', are very poorly represented, reaching only 1% respectively 5% of the total.

**Table 2. How important is intercultural leadership to you?**

Position held		Level of importance From Non-important '1' to Very important '5'					Total
		1	2	3	4	5	
non-manager	no.	0	4	11	79	224	318
	weight	0.00	0.01	0.03	0.25	0.70	1.00
manager	no.	0	0	8	18	68	94
	weight	0.00	0.00	0.09	0.19	0.72	1.00
Total	no.	0	4	19	97	292	412
	weight	0.00	0.01	0.05	0.24	0.71	1.00

**Source:** Processing by the author, using observed statistical data.

We can note, however, that the most employees, both those who make up the operative staff (70% of the total non-managers category) but especially among the managers (72%), state that they are involved in the work or the professional activity they carry out.

In order to achieve O4, to determine the situation regarding the level of organizational commitment of individuals, the question was formulated: How much do you think that intercultural diversity and inclusion influence the performance of the entire company?

**Table 3. How much do you think intercultural diversity and inclusion influences the performance of the whole company?**

Position held		Level of importance From Non-important '1' to Very important '5'					Total
		1	2	3	4	5	
non-manager	no.	4	4	65	77	168	318
	weight	0.01	0.01	0.20	0.24	0.53	1.00
manager	no.	1	0	8	18	67	94
	weight	0.01	0.00	0.09	0.19	0.71	1.00
Total	no.	5	4	73	95	235	412
	weight	0.01	0.01	0.18	0.23	0.57	1.00

**Source:** Processing by the author, using observed statistical data.

As can be seen from table 3, the vast majority of employees, 80%, are aware of the importance of intercultural diversity and inclusion. It is found, however, that a percentage of 90% of managers have the highest levels, 4 and 5, to express their organizational commitment.

The question: How much do you think innovation and technology influence the performance of the entire team? aims to achieve O4, to ascertain the situation regarding the performance level of the work teams.

**Table 4. How much do you think innovation and technology influence the performance of the entire work team?**

Position held		Level of importance From Strongly disagree ‘1’ to Strongly agree ‘5’					Total
		1	2	3	4	5	
non-manager	no.	2	1	42	77	196	318
	weight	0.01	0.00	0.13	0.24	0.62	1.00
manager	no.	1	2	2	14	75	94
	weight	0.01	0.02	0.02	0.15	0.80	1.00
Total	no.	3	3	44	91	271	412
	weight	0.01	0.01	0.11	0.22	0.66	1.00

**Source:** Author's creation, use observed statistical data.

According to the structured results in table 4, it is found that a percentage of 88% of the respondents show the two highest levels of appreciation of innovation and technology, it should be noted that regarding the category of employees who do not hold manager positions, the share of those who show a high and very high level of commitment within the work team, is 88% compared to 80% categories the same share among managers.

The question: How do you assess that the level of education influences the performance of work tasks? pursues O5 but also O3 of adapting employees to the challenges and opportunities of the global environment.

The detailed results in table 5 show that the majority of individuals in the sample (76.0%) show that the level of education influences a lot (36%) or a lot (40%) in the performance of collective work tasks. It is noted that, for the category of employees in management positions, the cumulative percentage of those who frequently request support has a higher value (82%), a result that can be attributed to the fact that they have a training better professional that justifies the need to be involved in supporting the members of the work team.

**Table 5. Does education influence teamwork to accomplish work tasks?**

Position held		Level of importance From Verry little ‘1’ to Verry much ‘5’					Total
		1	2	3	4	5	
non-manager	no.	2	1	74	114	127	318
	weight	0.01	0.00	0.23	0.36	0.40	1.00
manager	no.	0	1	12	33	48	94
	weight	0.00	0.01	0.13	0.35	0.51	1.00
Total	no.	2	2	86	147	175	412
	weight	0.00	0.00	0.21	0.36	0.42	1.00

**Source:** Processing by the author, using observed statistical data

Question introduction: How do you consider the company's adaptation to global changes? was determined by the need to detail O2, the need to ascertain the situation regarding the adaptation of employees to the global environment.

**Table 6. How do you consider the company's adaptation to global changes?**

Position held		Level of importance From Satisfactory '1' to Very good '5'					Total
		1	2	3	4	5	
non-manager	no.	2	36	33	78	169	318
	weight	0.01	0.11	0.10	0.25	0.53	1.00
manager	no.	0	3	17	33	41	94
	weight	0.00	0.03	0.18	0.35	0.44	1.00
Total	no.	2	39	50	111	210	412
	weight	0.00	0.09	0.12	0.27	0.51	1.00

**Source:** Processing by the author, using observed statistical data.

As can be seen from table 6 the cumulative percentage value from columns 4 and 5, for all respondents, is 78% and for the category of managers, it is 79%, proving that employees in general, but also those with coordination functions and management, realizes the importance of adapting the company to global changes to achieve individual or collective performance.

The question: Does cultural diversity enable effective collaboration and communication? it was introduced to explain how, in the socio-political context of the period during which the empirical study was conducted, as well as the instability of the economic environment, employees were forced to cope with frequent changes. We would have expected that cultural diversity would not allow for effective collaboration and communication.

Table 7 shows that 69% of non-managers and 80% of managers stated that the way in which cultural diversity allows for effective collaboration and communication meets their expectations to a great or very great extent. The values regarding how satisfied the respondents are, with the methods of communication, indicate an approximately uniform distribution of the answers, the frequencies obtained for the 5 degrees of satisfaction, having relatively symmetrical values, both for the non-managers category and for the managers category.

**Table 7. Cultural diversity enables effective collaboration and communication**

Position held		Level of importance From Lower '1' to Verry High '5'					Total
		1	2	3	4	5	
non-manager	no.	5	48	44	81	140	318
	weight	0.02	0.15	0.14	0.25	0.44	1.00
manager	no.	3	8	8	33	42	94
	weight	0.03	0.09	0.09	0.35	0.45	1.00
Total	no.	8	56	52	114	182	412
	weight	0.02	0.14	0.13	0.28	0.44	1.00

**Source:** Processing by the author, using observed statistical data.

From the analysis of the information at the company level, it results that the performance of the surveyed individuals is validated by the direct superior, as good or very good, in a proportion of 72%, for non-managers and 77% for those in management.

Regarding how the company can increase the level of performance, the respondents (85% of the operative staff and 87% of the managers) consider that their level of knowledge and skills is consistent with the position held, but a significant proportion (34 % of operatives and 49% of management), appreciate that in the last period, characterized by rapid changes, they were requested at work, with tasks that exceeded their skills necessary to achieve performance, moreover, this situation is also confirmed by the percentage values corresponding to those who believe that, at the present time, for faster adaptation to the new workplace challenges, they would need professional development, team-building (68% non-managers and 71% managers).

### **Conclusions. Improvement in management practices to increase performance**

From the analysis of the information obtained and processed in this study, we can conclude according with O7 that managers must adapt their leadership styles and apply appropriate management methods that consider the following elements:

**1. Cultural diversity and inclusion.** In transnational companies, leaders must understand and utilize cultural diversity, adopting styles that foster communication and collaboration among diverse teams. This emphasizes the growing importance of managing cultural diversity and developing related skills in global organizations.

**2. Adaptation to global changes.** Transnational firms must adapt to global changes using flexible leadership styles to adjust strategies based on market needs. Major events significantly impact operations, requiring strategic adaptation. Agile leadership promoting collaborative, flat structures and innovation are crucial in dealing with global complexities and rapid changes. Adopting leadership styles that promote flexibility and innovation can bring significant benefits.

**3. Innovation and technology.** Innovation is key to competitiveness, requiring leaders to foster a culture of risk-taking and exploration of new ideas. Implementing technology in management can highly influence the strategies of how different cultures handle innovative changes and technology adoption.

**4. Intercultural leadership.** Effective leadership is key in managing diverse teams across cultures. Comparative management studies reveal the effectiveness of varied leadership styles in different contexts. They emphasize assertiveness, flexibility, and understanding of cultural differences as vital when managing cross-cultural teams.

**5. Delegation and autonomy.** Leaders in large firms must understand that they cannot control everything. By delegating responsibilities and giving teams autonomy, creativity, learning and



initiative are stimulated. This can improve the efficiency and adaptability of the organization. This can also be achieved through effective communication.

**6. Effective communication.** In large and transnational organizations, communication can become difficult. Agile leadership styles promote transparent, open and frequent communication between different levels of the organization. This ensures consistency, coordination and shared understanding of direction.

**7. Leaders-catalysts.** To increase the performance of companies, it is necessary to adopt an agile and adaptable leadership style because it is important for leaders to be catalysts of change and innovation. These leaders should inspire, motivate and facilitate collaboration to achieve the organization's goals.

**8. Organizational learning.** In a large company, continuous learning becomes essential. Agile leadership styles promote organizational learning through reflection, constant evaluation, and adaptation of practices based on accumulated knowledge.

Cultural dimensions, institutional factors, transferability of management practices and cross-cultural leadership are important topics of study for those interested. Understanding these factors can help organizations navigate the complexities of managing in a globalized world and develop effective strategies for the smooth running of international operations.

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