

THE ROLE OF LEADERSHIP AND CULTURAL CONTINGENCIES IN TOTAL QUALITY MANAGEMENT IN CENTRAL AMERICA

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This case study contrasts how leaders learn to build on existing cultural contingencies while implementing total quality management (TQM) in a Central American context. The specific contingencies discussed are high power distance in relation to the quality council and allocentrism in reference to the cross-functional quality action teams.

The approaches of two leaders are contrasted. One leader implements TQM interventions at multiple levels of the organization simultaneously; his approach has a statistically significant impact on employee attitudes. Another leader, in a different but comparable site, uses the TQM program opportunistically to further his managerial agenda and proves ineffective in changing employee attitudes.

Since culture reputedly accounts for more than fifty percent of the variance in managerial behavior (Hofstede, 1980), a leader must build on the cultural contingencies of the organizational setting when implementing organizational changes (Schein, 1992), such as total quality management (TQM). In the Central American context, two cultural contingencies are particularly important: high power distance -- the acceptance of unequal distribution of power within social institutions (Hofstede, 1980) -- and in-groups within Latin collectivist societies, which Triandis et al. (1988) referred to as allocentrism (Triandis, Bontempo, Villareal, Asai & Lucca, 1988).

Since TQM is predicated on high levels of employee involvement (Juran & Gryna, 1993; Ishikawa, 1985), the organizational implications of high power distance must be understood. At first glance, high employee involvement seems to be in conflict with high power distance norms where both leaders and subordinates expect that only leaders will have the

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unquestionable power to make decisions. Employees will find it more difficult to express their views as equals with management, and leaders often find sharing power to be uncomfortable. For example, the autonomy of quality councils, which provide guidance and support for the TQM intervention (Sholtes, 1988) is sometimes threatened by the physical presence of top-level leaders in a high power distance setting. Though they may understand the importance of granting autonomy to a quality council, they are likely to assume control, be it direct or unobtrusive (Perrow, 1986), when the participants flounder or move in a direction unanticipated by the leaders.

Allocentrism, the second cultural contingency, is manifested in the Central American work setting by strong departmental (in-group) loyalty and "we-they" attitudes and friction with other departments (out-groups). Organizations often experience turf battles and intergroup tension that does not lend itself to the cross-functional teamwork that is a hallmark of TQM.

As TQM generally entails changing the organizational culture, the role of the leader is crucial to the success of the intervention (Deming, 1986; Ishikawa, 1985; George, 1992; Juran & Gryna, 1993). Within this context, leaders must develop clear strategies for implementation. Ishikawa (1985) refers to this as TQM policy deployment -- that is, consistent, explicit and concrete quality policies diffused to all levels of the organization. TQM policy deployment is based on the leader's perception of the contingencies affecting the implementation of TQM.

The research question that guides this study is: How can leaders deal successfully with existing cultural and organizational contingencies while implementing TQM, when this innovation promotes behavior contrary to the organizational and national culture?

Since the research is based on grounded theory (Glaser & Strauss, 1967), the empirical data from the participant observation phase enabled the author to operationalize the research question into the following propositions:

- (1) The leader is so prominent in a high power distance setting that he or she cannot actively participate in a quality council.
- (2) "Turfism" can be overcome in cross-functional quality action teams if leaders build on the cultural contingencies of high power distance and allocentrism in the organizational change effort to implement TQM.
- (3) Conversely, the change effort could falter if such cultural contingencies are ignored.
- (4) TQM should be implemented through policy deployment at multiple levels of the organization.

METHODS

Research Setting

The Tropical Export Company is a family-controlled North American based multinational corporation with very extensive production operations in Latin America that produce a labor intensive tropical export product, primarily for North America and Europe. The company has a century long history in Latin America. It is one of the four major players in the industry. The two research sites (Bocagrande and Playa Negra, both production divisions) are economies-of-scale operations (approximately 5,500-6,000 employees each) located in the Central American country of Morazan -- a fictitious name used to preserve the anonymity of the company. The village-like, relatively closed environments around the production divisions create social situations that are more extreme than those found in most modern organizations. The distinction between work and social roles in these isolated company towns is often blurred.

TQM was generally welcomed at the administrative levels of the company but the general managers were hesitant to diffuse it too quickly into the union ranks as they feared the union leaders would perceive it as a Machiavellian ploy to subvert the political solidarity of the union. Thus, the present research covers only the salaried personnel and their involvement with TQM.

Ethnographic Methodology

I was a participant observer from May 28, 1990 until July 23, 1992; I served as the human resources manager for the company in the country of Morazan. As an expatriate American citizen who had spent close to seven years in Latin America, first with Peace Corps and then as a manager of a development project, I was fluent in Spanish. At the time I took the job with the Tropical Export Company, I was a doctoral candidate in organizational behavior. I spent approximately one third of my time in Playa Negra, a third in Bocagrande, and a third in the capital city office, with some time at Packaging, Inc., a subsidiary of the Tropical Export Company that produced production and packaging material for Playa Negra and Bocagrande. As a participant observer and staff executive reporting to the same vice president as the general managers of Playa Negra and Bocagrande, I attended staff meetings, conversed with the employees, conducted over 150 interviews, spoke frequently with corporate visitors from the U.S., and interacted socially with the residents of Playa Negra and Bocagrande who worked for the company.

Survey Instrument

The second phase of the research involved the development of a questionnaire to measure organizational changes in relation to the TQM program. This instrument was translated by an educated native speaker from the region and revised by two bilingual educated individuals. The

questionnaire consisted of the relevant portions of the Socio-technical Systems Benchmark Survey (Sabiers & Pasmore, 1992), several questions specifically developed for the survey, and an instrument to measure organizational commitment (Mowday, Steers & Porter, 1979).

The Sabiers and Pasmore instrument consists of twenty scales used to measure the degree to which an organization follows sociotechnical systems design principles. Each scale or variable consists of a series of questions that yielded internally consistent responses (i.e., Cronbach alpha greater than .66). The instrument utilizes a Likert scale of 1 (strongly disagree) to 5 (strongly agree). An example of the questions used follows: "Information about my department's objectives is shared with me." The variables that proved reliable in this study appear below.

Inclusion: This variable measures perceptions relating to the extent to which one interacts with other levels and departments of the organization, is privy to financial and objectives related information, understands how decisions are made, and feels like a partner who is heard.

Support for innovation: This scale measures perceptions relating to good ideas being put into practice, being encouraged to try new ways of doing things, and being rewarded for coming up with new ideas.

Facilitative leadership: This scale focuses on receiving clear feedback, messages, and guidance from one's superior plus the autonomy to figure out best how to work.

Cooperation: This relates to assistance from co-workers.

Upward influence: This scale measures perceptions of how well the supervisor listens to one's opinions, solicits advice, and whether or not the subordinate is consulted on job changes.

Activity feedback: This variable measures one's perceptions of feedback from others regarding the quality of one's work as well as the ability to give feedback to others.

The questions developed for the survey measured group efficacy (i.e., one's attitudes toward working in groups), positive attitude toward TQM, and positive view toward one's superior. Again, the respondents utilized a Likert scale of 1 (strongly disagree) to 5 (strongly agree). An example of the questions used follows: "When I talk to those who are involved in the TQM groups, I find that they seem enthusiastic about TQM."

The organizational commitment measure also used a Likert scale but measured from 1 (strongly disagree) to 7 (strongly agree). An example of the questions used follows: "I talk up this organization to my friends as a great organization to work for."

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Selection of Survey Subjects

The results of the implementation of TQM in Playa Negra were contrasted with the results in Bocagrande by looking for significant differences between the TQM participants with the non-participants.

The subjects in Playa Negra were divided into two groups, those involved in TQM (n=47) and those uninvolved (n=45). This sample included all the participants in TQM, with the exception of the members of the quality council. They were excluded because almost all the executives were members of the quality council, making it impossible to match them with non-participants at the same hierarchical level. The non-participant group was formed by drawing a random sample of comparable size and organizational level to match the TQM participants.

In Bocagrande, the subjects were also divided into comparable groups, TQM (n=33) and non-TQM (n=37). Because fewer employees were involved in the TQM effort here, it was necessary as well as feasible to include subjects at the executive level. Two stratified random samples of non-participants from comparable levels of the organization were drawn from an employment roster.

The two locations were similar in many respects. The ethnic makeup of the monthly employees who responded to the survey was almost uniformly Latin with the exception of the European general manager in Bocagrande, Karl. Both general managers, several department heads, and some lower level monthly employees had worked in both locations. The technologies employed in both locations were essentially the same. The demographics of the subjects from Playa Negra and Bocagrande are shown in Table 1.

RESULTS

Ethnographic

The case study was an effort to build grounded theory (Glaser & Strauss, 1967) around the role of leadership in the implementation of TQM. The impacts of the different managerial styles of the two leaders regarding employee involvement in the two locations were contrasted through qualitative data recorded during the participant observation phase and, later, a survey and follow-up interviews. I labeled the different TQM implementation approaches used by the leaders *policy deployment* (i.e., Armando's approach) versus *managerial opportunism* (i.e., Karl's approach). The contrasts between the managerial styles of the two managers are shown in Table 2.

Armando & Policy Deployment

Armando, the general manager of Playa Negra, is native to that community. His father provided services to the company. Armando was educated in the U.S. and completed a degree in the sciences. He began working for the company in a research capacity but moved to production where he spent his entire career of more than 25 years. He has highly developed political skills and charismatic leadership qualities. He is a large fit man who strikes an imposing image. He combines an engaging manner with total authority; one can speak frankly with him and challenge him with well founded arguments yet one is always aware of his authority. His talents are in production, including labor relations, and general leadership. He permits the support functions (e.g., the controller's office and materials) considerable autonomy as long as policy is followed, budgets respected, and targets met. He handles the human resource functions for key people himself in terms of career development and succession planning and tends to plan and then offer options to subordinates, rather than converse with them to determine how they see their careers developing.

Armando derives his power from the support the organizational culture gives to the role of the general manager, the national culture's perception of power distance, and his ability to create and deploy policy. His former controller in Playa Negra stated, "Armando does half the work of a controller in that he makes people follow the rules and is very cost conscious." Others who work with Armando also describe him as predictable. The methodical and deliberate approach he has adopted to TQM policy deployment is consistent with the approach he has taken in implementing other programs in the past.

Karl & Managerial Opportunism

Karl, the general manager of Bocagrande, was born in the Caribbean and spent his early years in another Central American production division where his father worked. His background was clearly rooted in the neo-colonial history of the company, so much so that Karl did not become highly fluent in Spanish though he had resided in Latin America for much of his life; he understood Spanish and could make himself understood in poor Spanish. Karl attended boarding school in Europe where he was eventually educated as a military officer. He spent several years in a war zone, left the military, and eventually went to work for the Tropical Export Company. It is very common for executives to arrange for one or more of their children to be employed by the company. Nepotism is one of the bonds that holds the organizational culture together. Karl worked in many different locations including Playa Negra before his promotion to the general manager's slot in Bocagrande. Karl is very effective during crises, perhaps in part due to his military background. He said the only remaining disaster that had not touched Bocagrande during his tenure was a volcanic eruption. Karl is described by his subordinates with the English word "pusher," meaning one who gets things done through an insistence on task completion.

Table 1
Demographics of Survey Participants

<u>Department</u>	<u>Playa Negra</u>			<u>Bocagrande</u>		
	<u>Total</u>	<u>TQM</u>	<u>Non-TQM</u>	<u>Total</u>	<u>TQM</u>	<u>Non-TQM</u>
Production	44	22	22	28	9	19
Controller's office	12	5	7	12	3	9
Materials	9	4	5	3	-	3
Engineering	9	3	6	9	7	2
Legal	-	-	-	1	-	1
Transportation/exp.	5	3	2	4	3	1
General Manager's office	1	-	1	5	5	-
Quality control	7	7	-	3	-	-
Packaging	2	2	-	-	-	-
Labor relations	2	-	2	5	3	3
Research	1	1	-	-	-	-
Total	92	47	45	70	33	37
<u>Years of Service</u>						
0-5	5	1	4	4	2	2
6-10	25	14	11	13	6	7
11-15	24	13	11	15	6	9
16-20	10	4	6	11	6	5
More than 20	25	13	12	24	12	12
Missing information	3	2	1	3	1	2
Total	92	47	45	70	33	37
<u>Age</u>						
18-25	1	-	1	3	1	2
26-35	37	23	14	15	5	10
36-45	34	16	18	30	17	13
Over 45	17	8	9	16	7	9
Missing information	3	-	3	6	3	3
Total	92	47	45	70	33	37
<u>Gender</u>						
Male	84	46	38	67	31	36
Female	8	1	7	3	2	1
Total	92	47	45	70	33	37
<u>Occupational Level</u>						
Assistant foremen/unskilled	7	1	6	1	0	1
Foremen	31	15	16	2	-	2
Skilled technician	13	7	6	14	5	9
Unit manager/assistant	30	18	12	7	1	6
Supervisor/professional	10	5	5	31	14	17
Department head/manager	-	-	-	15	13	2
Missing information	1	1	-	-	-	-
Total	92	47	45	70	33	37

Table 2
Managerial Opportunism versus Policy Deployment Strategies for Implementing Total Quality Management

Factor	Observations Relating Factor to Managerial Opportunism (Bocagrande)	Observations Relating Factor to Policy Deployment (Playa Negra)
Description of implementation process:	Managers in council developed consensus view of TQM priorities and implementation strategy before pushing it downward	Massive training and implementation of quality action teams concurrent with consensus building process in council.
General manager's role:	General manager coopted council to force preferential treatment of his proposals	Gen. manager allowed council to develop autonomous consensus while pushing basic TQM downward.
Initial policy deployment:	Limited to preparing council & facilitators	TQM introduction, leadership training, prob. solving within functional teams. Pushed by GM through internal coordinator.
General change in employee involvement:	None until manager's council was prepared to diffuse TQM to the lower levels of the hierarchy.	Employees involved in functional teams in established units so hierarchy was not threatened. Databased dialogue used within established patterns.
Impact of department heads/supervisors:	Socialized dept. heads allowed general manager to co-opt council.	Dept. heads were unable to cooperate without leadership. Turf consciousness precluded cross functional teams. Quality council did not develop autonomy.
Risks for general manager:	Easy to slip into autocratic behavior. Socialization of department heads in quality council caused them to look to the general manager for guidance. The more they depended on the general manager the less autonomous they became.	GM risked alienating dept. heads if he pushed to hard too fast at lower levels. GM limited TQM policy deployment at lower levels to measures perceived by department heads and superv'rs as helping them.

Given his style of pushing to get results, Karl was eager to implement the different projects he envisioned -- so eager that he unabashedly manipulated the quality council into what he called "a manager's council." He expressed discontent that some of the people on the council disagreed with him, so he "rotated" them off the council and replaced them with several of his direct reports whom he could count on for support. Given the employee's willingness to accept a high level of direct control from the general manager, Karl's actions are by no means unusual.

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However, his subordinates complain about his inconsistency from one day to the other but accept it as the general manager's prerogative.

Karl could be characterized as one who was deeply concerned for the welfare of his employees, consistent with the paternalistic background of the company. The other side of this paternalism was the command and control orientation of the expatriate managers. Karl's military background and his family's roots in the neocolonial past of the company probably both contributed to his command and control orientation and desire for direct control.

Karl had grown up within the company and as an adult worked in remote locations for more than 15 years; he was strongly socialized to the company town culture found in the production divisions and therefore somewhat insular. In contrast to Armando, who attempted to develop social contacts outside the company, Karl spent most of his free time with company employees or contractors. Though very capable and intellectually gifted, Karl's insularity made him somewhat resistant to change. Though he understood TQM, he continued to exhibit the strong direct control general managers always had. Managerial opportunism resulted.

Observations/Vignettes

The direct control (i.e., orders issued by the powerful -- Perrow, 1986) of the general managers was significant. It was based on the power given to the position by the company and the cultural emphasis on high power distance. Historically, the general managers had always been expatriates and operated in relatively isolated locations managing operations that faced great uncertainty in terms of governmental and union relations and production conditions. These high levels of uncertainty, coupled with the neocolonialist orientation of the company, gave the role of the general manager great power over the employees and others dependent on the company. For example, one Spanish businessman stated that many years ago he bought the first car owned by a "civilian" (i.e., non-company resident) in Bocagrande. When it was delivered on the company train, the general manager initially refused to allow it to be unloaded saying he hadn't given his authorization. Thus, the general manager had been and continued to be seen as a very powerful figure within the company towns.

High power distance continued to be evident in the relationships between superiors and subordinates. Superiors commonly expressed the need to dominate subordinates. For example, a subordinate, a professional, threatened to quit if he did not receive a raise in his salary to increase it to a level comparable to that of other employees at his level. His manager swore the human resources manager to secrecy and said, "Julian is very good." The inference was that subordinates should not be told by their superiors how valuable they were because such knowledge would give them power. For another department head, hierarchy was more than simple power associated with a senior position. It had a raw element to it wherein his authority could not be questioned. He expressed the explicit desire that his subordinates fear him. His

preference for primitive domination was extreme but such a desire for control over subordinates was not unusual in the corporate culture. He actually asked the human resources manager (i.e., the author) to do a survey feedback of his department to find out if his subordinates held a sufficient degree of fear for him. Some of the more interesting stories came out as people stood around the bar in the evenings discussing how the Americans had been very strict in the past, in the neo-colonial era before 1970. One relatively uneducated individual who had become a senior level manager related how he had learned English; he said, "It was easy. My boss said, 'No Spanish!'"

By reviewing some of the qualitative data regarding the TQM implementation process, obtained through participant observation, one can better understand how policy deployment, as implemented in Playa Negra by Armando, had a more beneficial impact than the managerial opportunism of Karl.

Involvement of the Leaders With the Quality Councils

Both general managers had attended seminars where they were taught that TQM practices involved employee involvement and relative autonomy for the quality council, the group appointed to guide the TQM process. Part of Armando's understanding of the process was that he should not intervene in the quality council's activities. He used his understanding of the need for an autonomous council to restrain himself in the quality council meetings he attended. His actions were guided by the policy he had deployed, which included autonomy for the council. He was able to avoid the culturally induced reflex of directing the activities of the council because he had adopted a policy toward TQM. This policy became a cognitive road map that he followed.

The council proved capable of taking some initiative after 18 months of marginal activity, but this breakthrough occurred only after Armando finally ordered them to remain in the room until they developed a plan to make the quality council effective in its leadership of TQM. His direct control was consistent with the style of leadership practiced in Morazan, but he removed himself from the discussion to foster the autonomy he perceived as essential for a quality council within TQM. After his departure, the quality council chose to replace the ineffectual leader of the quality council, a young expatriate controller, with the second-in-command, the production manager.

An outsider might wonder how there could be such a difference between the power of the general manager and the second-in-command. The second-in-command was highly respected but not feared in the same way as the general manager. There can only be one maximum authority in the hierarchy, embedded in the high power distance Latin society, of the production division. The individual filling that role deals with most of the decisions required to resolve uncertainty, a basic source of power within organizations (Crozier, 1964).

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In contrast to the policy deployment of Armando, Karl, the general manager of Bocagrande chose to co-opt the quality council and use it to opportunistically pursue his own agenda for the division. Given the organizational members' willingness to accept a high level of direct control from the general manager, his actions were by no means unusual. He told me that the council was a "manager's council" that he controlled. He related one anecdote to the author regarding the control of the cognitive premises for action, an example of an unobtrusive control described by Perrow (1986). Those who achieved the rank of department head were usually very skillful at organizational politics; they gave ample consideration to what they perceived the desires of the general manager to be. According to Karl, "Even if I ask a question, they are trying to guess what's on my mind."

Another example of the power of the control over the cognitive premises for action in a high power distance setting was found in a packaging subsidiary of the Tropical Export Company, which was not surveyed due to its dissimilar context -- it was an urban manufacturing facility lead by professional engineers. The general manager was asked by his second-in-command, the head of the quality council, not to attend the council meetings until the members had a specific proposal to present to him. His second-in-command believed that if the general manager were present he would unduly sway the council, thereby precluding genuine participation. Simple questioning on the part of the general manager was enough to influence the council members because they would attempt to determine what it was the general manager wanted and then tailor their comments and suggestions accordingly. Although the second-in-command still possessed a great deal of authority, he was not accorded the same deference as the general manager.

Thus, in reference to the first proposition, one could conclude that the leader is too prominent in such high power distance settings to be able to effectively participate in a quality council.

Allocentrism and Cross Functional Teams

The traditional importance given to hierarchy and "turf" made it difficult to introduce cross functional teams in Playa Negra and Bocagrande. Allocentrism, with its emphasis on in-groups, fosters the turfism that TQM is to break down through cross functional teams.

Department heads and supervisors were regularly described by their subordinates in the production divisions as people to fear. Subordinates found it difficult to interact with peers from other departments when they were unsure about what their supervisor or department head desired. This demand from superiors for personal loyalty from their subordinates, coupled with allocentrism, constrained cross functional problem solving in both the production divisions. Ignoring these cultural contingencies and attempting to impose cross functional teams too soon

caused the TQM implementation process to falter initially in Playa Negra, confirmation of proposition three.

The TQM coordinator in Playa Negra related how they addressed this problem. After encountering initial resistance, the general manager, Armando, advised him not to push interdepartmental problem solving quite so aggressively; instead he suggested limiting the problem solving teams to departments until the department heads became more accepting. Later, Armando instructed him to adopt the following hybrid solution, which the TQM coordinator described as:

A key operations manager was assigned a quality problem. He was then empowered to choose the members of his or her team which included people from other departments. These people met and analyzed the specific problem. Significant improvements in quality outcomes resulted. The market feedback has been very positive.

Allowing respected individuals to name their own team members builds upon the cultural value of traditional respect for leaders. The team leaders named people they felt were trustworthy and competent with regard to the problem to be solved and with whom they enjoyed mutual respect. Though the team members came from various departments, they found common ground in their strong relationships with the team leader as well as their perceived competency relating to the problem under study. Thus, this solution succeeded because it was compatible with existing cultural values concerning leadership (i.e., high power distance), hard work and loyalty, and took into consideration the strong sense of in-group feeling (i.e., allocentrism) as well as the competence of the individuals chosen. Armando's awareness of these culturally based unobtrusive controls facilitated the TQM implementation process, thereby confirming proposition two. One must recall that Armando was native to the culture whereas Karl was not; it is logical that Armando would devise a culturally astute means of implementing cross functional teams that promoted TQM while not asking the participants to stray too far from their cultural assumptions.

Quantitative

Policy deployment at multiple levels of the organization proved more effective than managerial opportunism. This was tested by contrasting the participants of the TQM program with the non-participants in both Playa Negra and Bocagrande. Since the samples were small, with non-normal distributions, nonparametric tests were used. The means were ranked for each of the variables using the Kruskal-Wallis test. The median test was also employed to contrast the TQM and non-TQM groups using the survey variables previously discussed; it ranked cases above and below the median. In the case of Playa Negra, the TQM participants were

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significantly differentiated from the non-participants in terms of the following variables: inclusion, upward influence, activity feedback, and attitude toward TQM, as shown in Table 3.

The results for Bocagrande (see Table 3) differentiated the TQM participants from the non-participants only with regards to inclusion, which was higher for TQM participants. Non-participants, however, reported a higher level of organizational commitment. None of the Kruskal-Wallis tests were supported by significant results from the median tests. Since nonparametric tests are fairly weak, the significant findings for the Kruskal-Wallis tests reported for Bocagrande in Table 3 should be viewed with caution. Furthermore, there are alternative explanations for the significant findings in Bocagrande that may be unrelated to TQM. For example, inclusion may be higher for the TQM participants in Bocagrande because 13 of the 15 subjects in this group are at the bonus eligible level. They participate in managerial decision making because of their position, not their TQM involvement. Organizational commitment could have been higher for non-TQM respondents because the previously mentioned executives are better educated and have more alternatives outside of the organization. Thus their dependency on the company may be weaker than those with little education who have more limited employment alternatives. Those with little education would have difficulty finding jobs that paid more than the ones they held within the company. Therefore, we cannot conclude that TQM had an impact in Bocagrande, as measured by the survey results reported in Table 3.

In conclusion, Armando, the leader in Playa Negra, simultaneously focused on multiple levels of the organization through TQM policy deployment. The preceding statistical results from Table 3 show that Armando's policy deployment had an impact. In contrast, Karl's managerial opportunism (i.e., first aligning the quality council with the leader's perception of TQM) did not have a comparably significant impact. One could assert that Karl really had not implemented TQM but rather his perception of how TQM techniques could serve his agenda -- i.e., managerial opportunism. The greater success of policy deployment versus managerial opportunism confirms proposition four.

DISCUSSION

Ethnographic

The conceptual implications for practice point to the necessity of acknowledging and building upon cultural and organizational contingencies. If high power distance is prominent, one cannot expect a quality council to assume an autonomous role if the general manager or leader is present -- even as a silent observer. On the other hand, relatively leaderless groups were also incapable of functioning effectively. Using the second-in-command to lead the quality council seems to satisfy the need for leadership as well as allowing the quality council members

to feel relatively free to express their views, thereby fostering a measure of autonomy essential to the quality council within TQM.

Table 3
Significant Differences Between TQM and Non-TQM Respondents

Variables: Inclusion			Playa Negra Kruskal-Wallis Nonparametric Test				Attitude Toward TQM	
			Upward Influence		Activity Feedback			
	Mean rank	n	Mean rank	n	Mean rank	n	Mean rank	n
In TQM	52.78	46	55.49	47	51.81	47	54.31	47
Not in TQM	39.07	45	37.11	45	39.8	44	38.34	45
(χ ² =6.18; p=.0129)			(χ ² =11.01; p=.0009)		(χ ² =4.74; p=.0295)		(χ ² =8.33; p=.0039)	
Variables:			Playa Negra Median Nonparametric Test				Attitude Toward TQM	
			Upward Influence		Activity Feedback			
	> Median	< Median	> Median	< Median	> Median	< Median	> Median	< Median
In TQM	22	25	28	19	26	21		
Not in TQM	11	34	15	29	11	34		
			Median=3.33; (χ ² =4.07; p=.0436)		Median=3.33; (χ ² =4.94; p=.0262)		Median=3.67; (χ ² =7.88; p=.0050)	
Variables: Inclusion			Bocagrande Kruskal-Wallis Nonparametric Test					
			Organizational Commitment					
	Mean rank	n	Mean rank	n				
In TQM	39.79	34	28.98	33				
Not in TQM	30.34	35	39.7	35				
(χ ² =3.85; p=.0499)			(χ ² =5.00; p=.0254)					

As indicated previously, Playa Negra initially followed conventional TQM methodology and assigned cross functional teams. Allocentrism and "turfism" hindered the effectiveness of these groups so they resorted to functional teams, much like quality circles. When Armando realized that many organizational problems were of a cross functional nature, he encouraged the quality council to have respected managers lead the quality action teams and choose their own

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members. This solution is consistent with both high power distance and allocentrism, in that a recognized leader is free to choose members from his or her in-group. Such an in-group may reflect personal loyalties from various departments rather than functional area loyalties, thereby permitting a cross functional approach to operate. This may be a way to avoid the resistance initially faced when cross functional groups are imposed on organizational systems susceptible to turfism; one achieves cross functional problem solving and communication but in a culturally sensitive manner.

Quantitative

Armando's policy deployment approach was effective because it was based on a cognitive framework that considered the critical organizational and cultural contingencies and attempted to change the organization at multiple levels simultaneously. This cognitive road map was important in countering the strong cultural pull of autocratic leadership. The clarity and consistency in TQM training and quality action team activities fostered a more positive attitude among participants than non-participants.

Armando realized that a cascading approach, from top to bottom, would not produce the desired change in that his immediate subordinates, the department heads and supervisors, would likely be obstacles as they would see their power and autonomy threatened. Therefore, he did not expect them to change rapidly. He correctly assumed that those at the lower levels would prove very interested in TQM as it offered them a chance to have more impact through collaborative problem solving. On several occasions he was encouraged by consultants to press his direct reports to take more initiative in the quality council and to be more accepting of cross functional teams. However, he refused to be strongly assertive, "I know I could beat them over the head and, like good soldiers, they'd do what I want. However, I could be transferred at any time and total quality would stop if they didn't assume ownership."

The other leadership approach observed in this study, managerial opportunism, did not produce significant differences that can be solely attributed to TQM training and participation in quality action teams. Opportunism created an ad hoc inconsistency that allowed capriciousness to manifest itself as autocratic behavior (e.g., Karl's co-optation of the quality council).

Therefore, one can conclude that a simultaneous focus on multiple levels of the organization through TQM policy deployment at various levels of the organization (i.e., the saturation approach) was more effective than a cascading approach handicapped by managerial opportunism. Table 3 shows the attitudinal differences of the TQM participants, reflected in terms of inclusion, upward influence, activity feedback, and positive attitude toward TQM, in relation to non-TQM participants in Playa Negra. This was not the case in Bocagrande.

However, in a sense, Karl had not really implemented TQM but rather his perception of how TQM techniques could serve his agenda, i.e., managerial opportunism.

Implications

Thus, the initial action steps one might suggest, in regard to cultural contingencies, when implementing TQM are for the leader to first interpret the organizational and national culture (Schein, 1992). Leaders should be sensitized to the culture of the specific location. The next step is to realize that cultural continuity can be a foundation for innovation while providing a satisfying environment for the employees (Salipante, 1992; Fry & Srivastva, 1992). This involves looking for solutions that incorporate cultural contingencies in a way that promotes rather than hinders the implementation process; the leader needs to make effective use of unobtrusive controls (Perrow, 1986), based on culture (e.g., Armando's cross functional teams) in the implementation process. The leader also must understand that the innovation needs to be modified during the adoption process (Lewis & Seibold, 1993); an off-the-shelf or cookie-cutter approach to innovation is especially risky when dealing with cultural contingencies.

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