

KHALID M. AL-AIBAN AND JONE L. PEARCE

## **The Influence of Values on Management Practices**

### **A Test in Saudi Arabia and the United States**

That research on the management of public and private organizations has been dominated by the settings and assumptions of the United States is widely acknowledged. Yet little research is truly centered in non-Western countries rather than mere application of Western concepts. This failure is particularly apparent in empirical theory testing. While there are numerous excellent discussions of the limitations of U.S. assumptions in other cultures (e.g., Arora, 1972; Hofstede, 1980a), there has heretofore been little empirical testing of genuinely non-Western theories of management. However, when such research has been undertaken, it has been particularly fruitful. For example, Haire, Ghiselli, and Porter's (1966) research on cross-national differences in employees' work goals led to an important research stream in comparative management (Hofstede, 1980b; Ronen and Shenkar, 1985).

Our understanding, particularly of public management, has been limited by a body of public sector management research that is particularly culture-specific. One example of this cultural specificity has been the debate over the differences between public and private organizations. Allison (1983) argued that government organizations are mean-

---

Khalid M. Al-Aiban is Assistant Professor, King Khalid National Guard Military College, Riyadh, Saudi Arabia. Jone L. Pearce is Associate Professor, Graduate School of Management, University of California, Irvine, CA. An earlier version of this paper was presented at the Third Biennial Managing in the Global Economy Meeting, Hong Kong, June 1989. The authors wish to thank Professors James Perry, Anne Tsui, and Abbas Ali for their comments on earlier drafts.

ingly different from businesses because governmental managers can directly contact their allies on congressional committees to subvert their supervisor's commands. They can also undermine their hierarchical superiors by "leaking" discrediting information to the press. Further, civil service protections, which were developed to prevent elected officials from using governmental organizations to maintain themselves in office, result in fewer performance-contingent employee incentives (Pearce and Perry, 1983) than do practices in business organizations. McCurdy (1978) countered that the majority of governmental workers—for example, clericals—work in conditions that would be virtually identical in large complex business organizations.

Yet, this public-private debate—although framed in universal terms—implicitly assumes a societal structure that is particular to the Western democracies. Not all governments are directed by elected bodies; in fact, such governments are the minority. Not all societies have a free press. Still, these other societies have large governmental and business organizations, and to assume that features of Western democratic governmental organizations that are clearly particular to their own traditions are universal features of all organizations is a disservice to organization theory.

This ethnocentric theorizing has practical consequences for the management of organizations in all societies. While the problems for managers in non-Western countries are obvious (see Al-Saigh, 1986; Arora, 1972), such ethnocentricity also impedes understanding in the West. For example, members of the U.S. general public observe the comparative slowness of processes in governmental organizations and assume that this is a result of some inherent feature of "governmental organizations" rather than a reflection of values of due process and merit-based decision making. The widespread equation of "governmental organization" and "bureaucracy" among members of the general public reflects these assumptions.

Here, a general theoretical argument regarding public-private differences that have practical implications, first suggested by Bozeman (1987), is extended and tested.

### **The cultural context and governmental organizations**

Attention to the cultural and economic context of public administration has a long history (Riggs, 1961, 1964; Heady, 1984). As important as

this theoretical work is, it has not received substantial empirical testing. The most prominent exceptions are Berger (1957) and Ali (1986). Berger did not find support for his hypothesis that "Western norms" were held more strongly by those Egyptian civil servants who had more exposure to the West. Although Berger was disappointed in these results, we suggest that he erred in assuming that mere exposure to Westerners and their institutions could or would significantly counter the "ecological effects" of economics and culture so well described by Riggs and Heady. Ali (1986) found that Iraqi managers in the public and private sectors held different personal beliefs. Public managers reported more Marxist and "bureaucratic" beliefs which reflected the fact that they worked in larger organizations and had greater political responsibilities than did the Iraqi business managers.

More recently, Bozeman (1987) argued that governmental organizations tend to represent their society's values to a greater extent than do private businesses. This is because members of society view their governmental organizations as more reflective of their values than they do their businesses. One reason for this is that governmental organizations often exist for the expression of certain values (e.g., in education or social services). In addition, as "owners" of their governmental organizations, members of societies often feel that their organizations should reflect their preferences—in their means as well as their ends. Thus, the U.S. civil service protections of due process and traditions of open dissent have had a relatively greater influence on the management of American governmental organizations than on businesses. For example, there are laws protecting "whistle blowers" in the U.S. government (or in their private government contractors), but there are no such provisions for business employees unconnected to public service. Hence, if governmental organizations more closely reflect their society's ideals than do businesses (which must meet the needs of those—often foreigners—who supply their capital), we would expect to find the greatest cross-national managerial practice differences in governmental organizations.

We suggest that this argument can explain the mixed results regarding the influence of differences in culture-specific values on the attitudes of business employees (see Lincoln, Hanada, and Olson, 1981; Birnbaum and Wong, 1985). This lack of differences across countries may result from private sector employees' expectations that their values should be less influential in the design of profit-making businesses.

### **Assessing cross-national variations in organizational practices**

The present study tests hypotheses of the role of values in governmental and business organizational practices in the Kingdom of Saudi Arabia and in comparable U.S. organizations. Saudi Arabia is a particularly appropriate country in which to compare the effects of values on management practices. It is a society with large governmental and private business organizations explicitly operating according to Saudi values and traditions (Al-Aiban, 1988). It provides a clear contrast to American society, which is dominated by ideals that are based on what Weber (1947) called bureaucratic authority: the universal application of rules or law, positions according to merit (determined by objective means, if possible), promotion based on individual performance, and clear rules governing the limitations of authority.

Note that these are ideals, not necessarily descriptions of actual practice in U.S. organizations (e.g., Monroe, 1970). Yet, the U.S. Civil Service regulations, beginning with the system's establishment in 1883, and recently reinforced by the Civil Service Reform Act of 1978, have established policies designed to implement these ideals. For example, all U.S. federal promotions are to be based on merit; the Civil Service Reform Act requires performance appraisals to be based on objective data whenever possible. Consistent with this argument that U.S. governmental organizations would more closely reflect Weberian bureaucratic values than would American businesses, Rainey (1983) found that his U.S. governmental managers reported greater formalization and less managerial flexibility than did comparable business managers. While there are other comparative studies of managerial job attitudes (e.g., Buchanan, 1974; Solomon, 1986; Perry and Rainey, 1988), Rainey's emphasis on structural organizational features provides a useful point of departure for the present research.

In contrast to the organizational assumptions of Americans, the Kingdom of Saudi Arabia is governed by a structure akin to what Weber (1947) characterized as traditional authority structures (and what Riggs called the "sala model"). Ali (1990) suggested that management practices in Arabic societies are influenced by Islam, tribal traditions, colonial legacies, Western influences, and government intervention. Particularly relevant to the present study is his discussion of the importance of personal and family loyalties operating within sys-

tems of bureaucratic rules which are developed to appear "more Western" and are not seriously implemented.

Saudi Arabia is a hereditary monarchy, which retains significant judicial, legislative, and executive powers in the hand of the Saudi ruling family. Organizationally, rights and responsibilities are allocated among Saudi citizens who represent their families according to both the family's social rank and their personal qualifications in the society. Of course, as in all traditional societies, positions are obtained through a mix of both individual merit and family position. The most prominent example occurs in the ruling family where any one of a group of men from this extended family is eligible to become king. Similarly, traditional societies raise the social rank of individuals (or, more precisely, of their families) who have contributed exemplary service; and this elevation is expected to be passed on to descendants. Thus, as Bell (1986-87) suggested, the system recognizes merit and is dynamic, but at any point in time the society is, to a certain extent, organized on the basis of social relations among families that are rooted in the historical contributions of lineage groups.

The Saudi view of the national interest provides another illustrative contrast between U.S. and Saudi assumptions. The Saudi national interest is not viewed as the result of the clash of competing interests. Rather, the well-being of each family is viewed as dependent on the well-being of the country as a whole. As individuals and individuals' interests are emphasized in the United States, the family is emphasized in Saudi Arabia. Therefore, despite the fact that Saudi Arabia has a professional full-time governmental and business work force organized into offices and departments, participants' reports of management practices should reflect the traditional authority of their society rather than the legal-rational principles that are relatively more characteristic of American organizations (Ali, 1990). Saudi government and business managers, since they share the same traditional expectations, would both be expected to operate according to these traditional organizing principles.

*H1: Saudi managers in both private and public sectors will report significantly more traditional and significantly less bureaucratic organizational practices than U.S. managers.*

Although the focus of the present work is on governmental/business management comparisons in Saudi Arabia, this hypothesis is necessary

to establish that the new scales reported here are, in fact, reflecting differences between Saudi and U.S. managerial perceptions.

Within the kingdom, private business organizations should be relatively more influenced by Western bureaucratic principles than the governmental organizations. This is because their concern for profits will lead the managers of business organizations to be relatively more concerned with efficiency (Ali, 1986). In addition, many private Saudi businesses have U.S. and other venture partners and customers. These private businesses, therefore, would be expected to experience pressures to be more compatible from these task-environment organizations (Lawrence and Lorsch, 1967).

*H2: Saudi governmental managers will report that their organizations are characterized by relatively more traditional and less bureaucratic practices than will Saudi business managers.*

However, in contrast to Berger (1957), we do not believe that "amount of Western contact" is the major factor leading to relatively more bureaucratic practices in Saudi business organizations. That is, Saudi managers do not run their organizations according to relatively more traditional principles because they do not know how to run their organizations bureaucratically; rather, they have made a choice intended to express their cultural preferences. Differences in organizational practices are the result of a balancing of personal preferences (or what Hofstede [1980b] called "collective mental programming") and environmental pressures, not the effects of a lack of knowledge or "level of development." Note that these choices are not necessarily explicitly articulated (although in Saudi Arabia many of them have been); rather, they reflect the differences in values that have been extensively documented by comparative-management researchers.

*H3: After controlling for direct foreign work-related contacts, Saudi governmental managers will report that their organizations are characterized by relatively more traditional and less bureaucratic practices than will Saudi business managers.*

### **Method of sample selection and procedure**

Questionnaires were distributed to governmental and business managers in Saudi Arabia and the United States personally by the first author in 1987. All respondents were promised anonymity, with only a code

number identifying their sector on the questionnaire. Managers were selected because it was assumed they would be more familiar with both management practices and the questionnaire methodology than would nonsupervisory employees. Two hundred and forty questionnaires were distributed to the managers in the Saudi ministries serving agriculture, health, finance, posts and telecommunication, and education; 68 percent or 164 useable responses were received from the Saudi governmental managers. Ninety Saudi business managers representing agricultural products, basic industries, real estate, hospital, resort, and financial firms were asked to participate, with 58 (64 percent) returning useable questionnaires. There were no differences across managerial level or organization in response rate. In the United States, questionnaires were distributed to a smaller sample of federal managers working in three agencies and managers in industrial and financial companies in the Washington, DC, area. Forty-four (34 percent) useable questionnaires were returned by governmental and business American managers. The disappointing response of the U.S. managers precludes a confident cross-national comparison of American and Saudi differences. However, their responses were retained in the present report (to test hypothesis 1) because they provide an exploratory comparison group to help establish the ability of the new scales to differentiate managerial practices in different nations.

## **Measures**

All of the variables are multi-item scales constructed from questionnaire items. Saudi managers received an Arabic version of the instrument. The questionnaire was constructed first in English (the bureaucratic practices items were taken from an English-language instrument developed by Rainey). The English-language questionnaire was professionally translated to Arabic in Saudi Arabia. The translated questionnaire was reviewed by the first author and another professional translator with significant experience working for the Saudi government to ensure that the terminology corresponded to that used by the target population. The three held several rounds of meetings to perfect the translation, with final decisions made by the first author.

### ***Bureaucratic practices***

Measures of the extent to which bureaucratic principles govern organizational practices are widely available. In the present study, Rainey's (1983) items were adopted because they were used in an empirical (U.S.) governmental and business comparison. All questionnaire items were Likert-type in which the respondents were asked to indicate their degree of agreement or disagreement on five-point scales. Rainey's original items were factor-analyzed.<sup>1</sup> Unfortunately, Rainey's original nine scales were not replicated in our sample. Since Rainey's original reliabilities were all acceptable, something in the translation and administration in a different country may have led to these problems. In any case, it was decided to use the bureaucratic practices scales that emerged from the present factor analyses of Rainey's items. The first scale, "Rule Boundedness," consisted of four items and had an alpha of 0.63. The items for all of the scales used in this report appear in Table 1.

The second bureaucratic practices scale was a version of Rainey's "Goal Clarity" scale. Clear expectations and directions were seen by Rainey as a feature of organizations guided by legal-rational or bureaucratic principles. The three items composing this scale obtained an alpha of 0.61 in the present sample.

### ***Traditional practices***

There are no available scales assessing the extent to which traditional authority is used in organizations. This is in contrast to the extensive attention given to relative bureaucratization (Blau, 1974; Pearce and Page, 1990). This lack does not seem to reflect the absence of traditional practices in Western societies. For example, the importance of personal contacts in mobility has been widely discussed as "mentorship" in the careers literature. It may rather be more a reflection of the extent to which legal-rational ideals direct inquiry, particularly in the United States. This report provides the first exploratory attempt to develop paper-and-pencil scales to assess perceptions of traditional organizing practices.

Twenty-seven positively and negatively worded items were developed in several brainstorming sessions by the authors. One of the greatest challenges was the development of items that were not reac-



**Table 1**  
**Questionnaire Items composing the scales**

Bureaucratic practices items	Rotated loadings			
<i>Rule-boundedness</i>				
Because of the rules here, promotions are based mainly on performance.	0.44	—		
Even if a manager is a poor performer, formal rules make it hard to remove him from the organization.	0.48	—		
Producing low-quality work decreases my chances for promotion.	0.52	—		
If a manager is particularly effective, it is easy under the rules for his superior(s) to reward him with higher pay.	0.56	—		
<i>Goal clarity</i>				
The organization for which I work has goals which are clearly defined.	—	0.82		
It is easy to give a precise explanation of the goals of my organization.	—	0.64		
Doing high-quality work makes me feel I am developing my abilities.	—	0.72		
Traditional practices items	Rotated loadings			
<i>Job is personal property</i>				
Sometimes those who hold jobs in this organization act as if the job is their own "personal property."	0.64	—	—	—
Cross-departmental coordination is very poor in this organization.	0.77	—	—	—
Too many in this organization withhold information from other departments.	0.81	—	—	—
Whenever I need information from another department, I always get good cooperation from them. (N)	0.73	—	—	—
There are clear limits on the actions of members of this organization. (N)	0.63	—	—	—
<i>Nonmerit evaluation criteria</i>				
In general it is the best performers who rise to the top position in this organization. (N)	—	0.73	—	—
"Connection" or "who you know" is more important than job performance in getting ahead here.	—	0.54	—	—
Some departments in this organization seem to care more about their image than they do about clients or customers.	—	0.48	—	—
Pay increases are based strictly on job performance in this organization. (N)	—	0.71	—	—
Promotion is based solely on job performance in this organization. (N)	—	0.83	—	—

**Table 1**  
**Continued**

*Nepotism*

Others have used their jobs here to help themselves or their friends.	—	—	0.73	—
It really is standard practice in this organization to use one's position to help friends or family.	—	—	0.73	—
Some workers in this organization do not seem to have pride in their work. (N)	—	—	0.45	—
Nepotism reduces this organization's performance.	—	—	0.66	—

*Western contact*

I work directly with foreign managers in this job.	—	—	—	0.75
I have learned a lot about management from foreign coworkers.	—	—	—	0.79

(N) = negatively worded scale item.

tive for managers who would be familiar with the Western concepts of the "correct" (that is, legal-rational) way to run organizations (see Ali, 1990).

The twenty-seven original items were factor-analyzed with a varimax rotation as described in note 1. Sixteen items loaded at least 0.40 on one factor, with a difference of 0.10 for subsequent loadings on other factors. (The items and factor loadings appear in Table 1.) The useable scales are called "Job Is Personal Property" ( $\alpha = 0.80$ ), "Non-Merit Evaluation Criteria" ( $\alpha = 0.78$ ), "Nepotism" ( $\alpha = 0.73$ ), and "Western Contact" ( $\alpha = 0.61$ ). These scales demonstrated acceptable validity using conventional standards.<sup>2</sup> Table 2 contains the intercorrelations (as well as means and standard deviations) among the scales used in this report.

## Results

### *Hypothesis 1*

Saudi managers in both sectors were expected to report significantly more traditional and significantly less bureaucratic organizational practices than American managers. The hypothesis is partially supported. The Saudi managers reported significantly less rule-boundedness than their American counterparts (2.99 versus 3.28,  $p < 0.01$ ), consistent with the hypothesis. Yet, the Saudi managers reported greater goal clarity than did the Americans (4.01 versus 3.56,  $p < 0.01$ ), contrary to

**Table 2**  
Means, standard deviations, and Intercorrelations among variables

Variables	X	s.d.	1	2	3	4	5	6
1. Rule-boundedness	3.12	0.78	(63)*					
2. Goal clarity	4.00	0.61	18	(61)				
3. Job's property	2.86	0.78	21	33	(80)			
4. Nonmerit evaluation	2.10	0.79	56	27	39	(78)		
5. Nepotism	3.16	0.80	31	15	40	51	(73)	
6. Western contact	2.73	1.05	02	01	06	07	09	(61)

$n = 266$ . \* Internal consistency coefficients in parentheses; decimals removed.  $r > 0.14$ ;  $p < 0.01$ , all else nonsignificant.

prediction. We found no differences in the extent to which managers reported that colleagues considered their jobs to be their personal property (2.85 versus 2.95, ns). However, the use of nonmerit criteria (2.14 versus 1.93,  $p < 0.05$ ) and nepotism (3.27 versus 2.68,  $p < 0.01$ ) was consistent with the hypothesis asserting that these practices would be more prevalent in Saudi than in U.S. organizations. Thus, three of the five tests were consistent with the hypothesized managerial reports of less bureaucratic and more traditional practices in Saudi than in U.S. organizations.

### *Hypothesis 2*

Saudi governmental managers were expected to report that their organizations were relatively more traditional and less bureaucratic than would Saudi business managers. Again, this hypothesis was supported in three of the five tests (see Table 3). Saudi business managers reported that their organizations were more rule-bound, more likely to evaluate employees using performance-based criteria, and less characterized by nepotism than were their governmental counterparts. There were no significant differences between reported goal clarity and viewing jobs as the personal property of their incumbents. These tests support the theoretical argument that governments are more likely to be organized according to principles reflecting their societies' cultural values, while business organizations must balance these preferences with the demands of other elements in their task environments.

**Table 3**  
**ANOVAs and cell means testing differences between Saudi government and Saudi business managers' reports**

	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>p</i>
Rule-boundedness					
Explained	8.65	1	8.65	14.93	0.000
Residual	59.65	103	0.58		
Goal clarity					
Explained	0.27	1	0.27	0.92	ns
Residual	29.84	103	0.29		
Job's property					
Explained	0.14	1	0.14	0.21	ns
Residual	126.57	199	0.64		
Nonmerit criteria					
Explained	14.54	1	14.54	26.86	0.000
Residual	107.74	199	0.54		
Nepotism					
Explained	5.22	1	5.22	8.48	0.004
Residual	122.63	199	0.62		
	SA government		SA business		
Rule-boundedness	2.82		3.45		
Goal clarity	4.04		3.93		
Job's property	2.87		2.81		
Nonmerit criteria	2.31		1.67		
Nepotism	3.37		2.99		
<i>n</i>	153		48		

### *Hypothesis 3*

Finally, it was hypothesized that pressure from their task environments, rather than "learning," would lead Saudi businesses to report relatively more bureaucratic and less traditional practices than their governmental counterparts. This hypothesis was tested by running the five ANOVA tests reported above with the addition of the Western Contact variable as a covariate. In fact, the Saudi business managers did report significantly greater job contact with foreigners than did

either Saudi governmental managers or American managers (3.02 versus 2.86 versus 2.02 respectively,  $p < 0.001$ ). However, this difference in contact was not significantly associated with any differences in organizational practices, as can be seen in Table 4. In no case did work-related contact with foreigners contribute significant explained variance in organizational practices; the effects of managing in either Saudi ministries or Saudi businesses reported in Table 3 are virtually duplicated in Table 4. Thus, the relatively less traditional and more bureaucratic organizational practices of Saudi businesses cannot be assumed to be the result of greater personal contact between Saudi business managers and their more bureaucratic Western colleagues.

## Discussion

Saudi managers, in both government and business, reported that their organizations were less rule-bound, used more nonmerit criteria in personnel decisions, and were characterized by greater nepotism than did U.S. managers from business and government. Further, the Saudi governmental managers reported that their organizations were less rule-bound, less merit-based, and employed more nepotism in staffing than did the Saudi business managers. These patterns held even when we controlled for the extent to which managers worked with foreigners. This buttresses the argument that the use of more traditional organizing practices was an informed choice, rather than the result of ignorance of bureaucratic principles. Thus, Saudi governmental organizations more closely reflected the organizing ideals of their society than did the businesses, which must mediate between their personal ideals and the meritocratic pressures of members of their task environments.

The hypothesized patterns did not appear for the variables of Goal Clarity and Job Is Personal Property. For the former, we found a reversal of the hypothesized direction (Saudis reported greater goal clarity than did Americans). It may be that this variable is not a good surrogate for degree of bureaucratization. Saudi Arabia has a comparatively smaller and more homogeneous population—ethnically and religiously—than does the United States. It is possible that goal clarity is more a function of organizational size and homogeneity rather than of the extent to which organizations are bureaucratically organized.

There are two possible explanations for the lack of significant differences in these managers' reports of use of office for one's personal

**Table 4**  
**ANCOVAs testing differences between Saudi government and Saudi business, controlling for Western contact**

	<i>SS</i>	<i>df</i>	<i>MS</i>
Rule-boundedness			
Covariate	0.63	1	0.63
Group	6.14	1	6.14
Explained	6.76	2	3.81
Residual	56.07	96	0.58
Goal clarity			
Covariate	0.75	1	0.75
Group	0.32	1	0.32
Explained	1.07	2	0.53
Residual	28.82	96	0.30
Job's property			
Covariate	1.22	1	1.22
Group	0.195	1	0.195
Explained	1.41	2	0.71
Residual	126.71	198	0.63
Nonmerit criteria			
Covariate	0.37	1	0.37
Group	14.92	1	14.92
Explained	15.29	2	7.65
Residual	106.98	198	0.54
Nepotism			
Covariate	0.14	1	0.14
Group	5.13	1	5.13
Explained	5.27	2	2.64
Residual	122.58	198	0.62

interests. First, it may be that this new scale simply is not psychometrically sound. This is the first use of these scales, and they have not been subjected to comprehensive validation. This first attempt to assess traditional organizational practices has shown some promise, and future research in this area may help to clarify these issues. Alternatively, it could be that there are genuinely no differences in the extent to which Saudi and American governmental and business managers view themselves as individuals who may use the resources provided to them to pursue their personal interests.

Weber suggested that this was a characteristic of traditional societies, but it may well be that the practice has only been forced underground in societies adopting legal-rational values. That is, the United States and other Western organizations may be influenced by more traditional practices than is usually acknowledged (Monroe, 1970). After all, there are many anecdotes concerning American managers' use of organizational resources to support their own careers or consumption. Unfortunately, due to the small U.S. sample obtained, confident Saudi-American conclusions await further research. Certainly, the pattern of results found in the present study seems to suggest that the organizational practices in these two countries may be more complex than the simple bureaucratic/traditional dichotomy originally proposed.

These findings provide additional insight into the debate over differences between government and business organizations. It seems that the Western-centered debate has turned on distinctions that are particular to their own national political economies—to the ideals that Americans and other Westerners expect their governmental organizations to uphold. This evidence contradicts the assumption that there is anything particularly "bureaucratic" or "open" about governmental organizations themselves. Rather, it supports Bozeman's (1987) contention that governmental organizations are governed by principles that more closely reflect the values that members of that society hold than do private businesses. This is an important distinction for practice and theory, and it is hoped that this work will help to shift this public-management debate to a more truly universal focus.

This recognition of the role of values in management should make it easier for managers in non-Western society to make more finely gauged judgments about which management theories from the West to apply. This work is also intended to allay the implicit assumption that many observers and advisors hold that managing according to other than legal-rational principles reflects a "lower level of development" rather than choice. In fact, because non-Westerners are forced to contrast their values with those of Westerners, they could be seen as making more informed choices than are Westerners who are not exposed as frequently to alternative forms of management in practice, particularly in the public sector.

There are several implications for the practice and study of public management. This work suggests that large-scale shifts in societal values will influence the nature of organizations, particularly governmen-

tal organizations. Several of the shifts affecting U.S. public managers may reflect these societal shifts. For example:

- The assumption that governmental organizations are inherently slower and more cumbersome is reflected in the movement to private sector contracting of governmental services. These decisions might be analyzed by examining what values are being reflected in these transfers.
- The movement to performance-based pay systems in government (Pearce and Perry, 1983) should probably be seen as a reflection of a shift in societal values: less employee protection for more efficiency (and perhaps a greater appearance of equity).

Heretofore, much discussion of the role of values in organizations has assumed that governmental organizations always represent "positive" or widely admired values. We suggest, rather, that they are institutions reflective of their societies. As the values of members of society shift, we would expect pressures on organizations, and especially on governmental organizations, to adopt different practices. This work suggests that governmental organizations will tend to bear the burden of representing their members' values and, as such, should be the arenas of greatest conflict when values do shift.

## Notes

1. The factor-analysis procedure consisted of a principal-components analysis with varimax rotation using the Saudi respondents only (the small sample size precluded using the American sample for this procedure). The criteria for determining whether items loaded onto a particular factor were as follows: an item must load at least 0.40 on the target factor, and the difference in the loading on the next-highest factor should be greater than 0.10. This approach to determining whether an item has a salient loading on a factor is a conservative one (Gorsuch, 1983) and ensures that the resultant scales contain items with higher levels of shared variance.

2. In order to test the validity of these three new traditional-practices scales, two approaches were taken. First, a test of the convergent and discriminant validity of the scales was completed, based on Campbell and Fiske's (1959) work. Unfortunately, cross-method tests of convergent and discriminate validity were not possible; however, two within-method comparisons provide some evidence of the extent to which these scales are internally homogeneous and assess distinct features of traditional practices. The mean intrascale item correlations for these scales were 0.45, 0.42, and 0.40, respectively. The mean interscale, interitem correlations (absolute values) were 0.23, 0.24, and 0.25 for Job Is Personal Property, Non-Merit Evaluation Criteria, and Nepotism. Thus, these scales appear to have acceptable levels of discrimination among themselves.



As Nunnally (1967) and his successors have noted, for theoretical research the most important aspect of the validity of a measure is the test of its construct validity. Tests of construct validity involve testing hypotheses concerning how the construct should relate to other constructs. If the measure does not perform as expected, the researcher cannot be sure whether the measure or the theory is at fault. However, if the hypotheses are confirmed, this provides substantial evidence that the measure is a valid representation of the construct. In the present test, it was hypothesized that, based on the theoretical work of Weber, bureaucratic and traditional organizational practices reflected fundamentally different organizing principles, such that organizations that are relatively more bureaucratic would be less traditional, and vice versa. That is, traditional organizational practices were hypothesized to be correlated negatively with the presence of bureaucratic practices. As can be seen in Table 2, all three of the traditional-practices scales are significantly negatively correlated with the two bureaucratic-practices scales. This suggests that these scales are, in fact, measuring facets of a construct (namely, traditional organizational practices) that is inversely related to bureaucratic practices, as would be expected from Weber's theoretical work. Of course, the three hypotheses tested in this report also reflect hypothesized relationships between these constructs and others, so that their confirmation provides additional supporting evidence of these scales' construct validity.

## References

- Al-Aiban, K. "Comparative Analysis of the Role of Government in the Private Sector in Ancient Dahomey, Saudi Arabia, Japan, and the United States." Working paper, Graduate School of Management, University of California, Irvine, CA, 1988.
- Al-Saigh, N., ed. *Administrative Reform in the Arab World: Readings*. Amman, Jordan: Arab Organization of Administrative Sciences, 1986.
- Ali, A. "Public Managers: Are They Different? A Study of Managerial Belief Systems in Iraq." *International Review of Administrative Science*, 52, 1 (1986): 67-78.
- . "Management Theory in a Transitional Society: The Arabs' Experience." *International Studies of Management and Organization*, 20, 3 (1990): 7-35.
- Allison, G., Jr. "Public and Private Management: Are They Fundamentally Alike in All Unimportant Respects?" In J.L. Perry and K.L. Kraemer (eds.), *Public Management*. Palo Alto, CA: Mayfield, 1983, pp. 72-92.
- Arora, R. *Comparative Public Administration*. New Delhi: Associated Publishing House, 1972.
- Bell, D. "Production and Distribution within Hierarchically Structured Groups." *Journal of the Steward Anthropological Society*, 16, 1&2 (1986-87): 96-124.
- Berger, M. *Bureaucracy in Modern Egypt*. Princeton, NJ: Princeton University Press, 1957.
- Birnbaum, P., and Wong, G. "Organizational Structure of Multinational Banks in Hong Kong from a Culture-free Perspective." *Administrative Science Quarterly*, 30 (1985): 262-277.
- Blau, P. *On the Nature of Organizations*. New York: John Wiley, 1974.
- Bozeman, B. *All Organizations Are Public*. San Francisco: Jossey-Bass, 1987.

- Buchanan, B. "Government Managers, Business Executives, and Organizational Commitment." *Public Administration Review*, 35 (1974): 339-347.
- Campbell, D., and Fiske, D. "Convergent and Discriminate Validation by the Multitrait-Multimethod Matrix." *Psychological Bulletin*, 56 (1959): 81-105.
- Gorsuch, R. *Factor Analysis*, 2d ed. Hillsdale, NJ: Lawrence Erlbaum, 1983.
- Haire, M.; Ghiselli, E.; and Porter, L. *Managerial Thinking: An International Study*. New York: Wiley, 1966.
- Heady, F. *Public Administration: A Comparative Perspective*, 3d ed. New York: Marcel Dekker, 1984.
- Hofstede, G. "Motivation, Leadership, and Organization: Do American Theories Apply Abroad?" *Organizational Dynamics*, 8 (Summer 1980a): 42-63.
- Hofstede, G. *Culture's Consequences: International Differences in Work-related Values*. Beverly Hills, CA: Sage, 1980b.
- Lawrence, P., and Lorsch, J. *Organization and Environment*. Homewood, IL: Richard Irwin, 1967.
- Lincoln, J.; Hanada, M.; and Olson, J. "Cultural Orientations and Individual Reactions to Organizations: A Study of Employees of Japanese-owned firms." *Administrative Science Quarterly*, 26 (1981): 93-115.
- McCurdy, H. "Selecting and Training Public Managers: Business Skills Versus Public Administration." *Public Administration Review*, 6 (November/December 1978): 71-578.
- Monroe, M. "Prismatic Behavior in the United States?" *Journal of Comparative Administration*, 2 (1970): 21-30.
- Nunnally, J. *Psychometric Theory*. New York: McGraw-Hill, 1967.
- Nyrop, R. *Saudi Arabia: A Country Study*. Washington, DC: U.S. Government Printing Office, 1985.
- Pearce, J.L., and Page, R. "Palace Politics: Resource Allocation in Radically Innovative Firms." *Journal of High Technology Management Research*, 1, 2 (1990): 193-205.
- Pearce, J.L., and Perry, J.L. "Federal Merit Pay: A Longitudinal Analysis." *Public Administration Review* (July-August 1983): 315-324.
- Perry, J., and Rainey, H. "The Public-Private Distinction in Organization Theory: A Critique and Research Strategy." *Academy of Management Review*, 13 (1988): 182-201.
- Rainey, H. "Public Agencies and Private Firms: Incentive Structures, Goals, and Individual Roles." *Administration and Society*, 15, 2 (1983): 207-243.
- Riggs, F. *The Ecology of Public Administration*. New York: Asia Publishing House, 1961.
- . *Administration in Developing Countries*. Boston: Houghton-Mifflin, 1964.
- Ronen, S., and Shenkar, O. "Clustering Countries on Attitudinal Dimensions: A Review and Synthesis." *Academy of Management Review*, 10 (1985): 435-454.
- Solomon, E. "Private and Public Sector Managers: An Empirical Investigation of Job Characteristics and Organizational Climate." *Journal of Applied Psychology*, 71 (1986): 247-259.
- Weber, M. *The Theory of Social and Economic Organization*. New York: Free Press, 1947.