How Do Managers Respond to Failures: A Comparison Between Korea and the U.S.A.

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Abstract. *This study investigated how managers in Korea and the U.S.A, representing collectivistic and individualistic cultures respectively, differ in their behavioral intentions to take certain actions after their groups have failed to achieve the goals. Based on previous research, it was predicted that Korean managers, in contrast with the U.S. managers, would take more personal responsibility for group failure. A field simulation methodology was used to test the hypothesized relationships. A simulated incident of group failure was presented to practicing managers in a questionnaire. Then the subjects were asked to indicate their behavioral intentions. A study of 165 managers suggested that there were cultural differences in managerial responses to group failure. As hypothesized, Korean managers were more likely to claim personal responsibility for group failure, relative to the U.S. managers.*

1. Introduction

What would managers do when their teams fail in organizational settings? The literature suggests that managers in the U.S.A. may avoid responsibility for failure, while claiming credit for success (Mitchell, Green and Woods 1981; Staw, McKechnie and Puffer 1983; Tsang 2002). The tendency for individuals to take greater personal responsibility for success than for failure, commonly referred to as the self-serving bias in attribution theory research, is one of the most robust findings in social psychology (Bradley 1978; Campbell and Sedikides 1999; Miller and Ross 1975; Zuckerman 1978).

Although the existence of the self-serving bias is well documented, it is important to note that almost all prior management research has been carried out in North America. This leaves an unanswered question of whether a similar pattern would be found in non-Western countries having different cultural orientations (Christopher, 1999). Anecdotal observations and some research evidence suggest that Asian managers may behave differently than their U.S. counterparts. For example, it has been observed that Japanese managers and politicians are likely to claim personal responsibility for failures and catastrophes (Chipello 1987). Research in non-management settings also documents this tendency. Kashima and Triandis (1986) found that Japanese adults were more likely to attribute failures to their own abilities. Takata (1987, cited in Markus and Kitayama 1991) reported that college students in Japan took greater personal responsibility for failure than for success. Based on previous studies, there is a reason to believe that managerial responses to failure differ across cultures.

The purpose of this study is to determine whether managers from two different cultures differ in their behavioral intentions to take personal responsibility for group failure. To compare contrasting cultural orientations, managers from Korea and the U.S. were studied.

2. Role of Culture

Research evidence from anthropology and cross-cultural psychology suggests that culture may play an important role in affecting how individuals respond to failure. Fry and Ghosh (1980) found that Asians showed greater confidence in unfavorable than favorable feedback on their performance, while Caucasians displayed the opposite pattern. Similarly, Diener, Suh, Smith, and Shao (1995) found that students in Korea and China were more accepting of experiences of negative affect than were American students. It also has been found that individuals who displayed modest self-perceptions were better liked by their peers in Hong Kong (Bond, Leung and Wan 1982) and Korea (Bae and Crittenden 1989).

The evidence supporting the existence of differences across cultures in how individuals respond to failure appears to be clear. Asians tend to assume stronger responsibility for failure than their counterparts in North America. One cultural dimension affecting how individuals respond to failure could be individualism/collectivism (Hofstede 1980a). Individualism/collectivism reflect the way people in a society interact and has been

suggested to be the most pervasive difference associated with national culture (Williams, Han, and Quails 1998). Individualistic cultures are characterized by the primacy of individual goals, achievement benefiting the individual, self-esteem, and self-reliance (Mead 1967). In contrast, collectivistic cultures emphasize the subordination of individual goals to those of the group (Mead 1967) and places greater importance on the group's needs, norms, and beliefs relative to those of the individual (Triandis 1990). Individualism may motivate individuals to engage in actions that would protect their self-interest over the team's interest, while collectivism that subordinate the individual to the group place less emphasis on self-protection.

Based on these arguments, I hypothesized that Korean managers are more willing to take actions of strong personal responsibility than American managers when their groups fail to achieve their goals. It is predicted that for group failure, in comparison with American managers:

H1:   Korean managers are more willing to offer to resign.
H2:   Korean managers are more willing to apologize formally to their superiors.
H3:   Korean managers are less willing to reprimand the team members.
H4:   Korean managers are less willing to keep distance from their team members.

3. Methodology

3.1 Sample

The sample consists of 90 Korean managers and 75 U.S. managers. The managers came from a variety of different companies and industries, including manufacturing, banking, accounting, and high technology.

3.2 Research Design and Measures

Each study participant received a written scenario in which he or she was described as having been recently appointed as the manager of a task force charged with solving a turnover problem that existed in their organization. The manager was told that he or she had completed autonomy in

designing the work of the task force and in selecting its members. The task force was further described as having submitted recommendations to reduce turnover that were subsequently implemented. The managers were told that, despite the task force recommendations, turnover doubled in the succeeding six months (group failure).

After reading the scenario, managers were asked to indicate the degree of willingness to do four possible responses to failure (offer to resign, formally apologize to the vice president/VP, reprimand team members, keep distance from the team). To make this task more meaningful and personally relevant, prior to providing attributions, managers were asked to think of a time in the past when similar events had happened to them and describe the cause for the outcome. The primary dependent variables in the study were the managers' behavioral intentions.

In addition, managers completed several additional measures. Basic demographic information was provided on such variables as age, gender, education, and tenure in the company. Collectivism was measured using a four-item scale developed by Earley (1989) that has been successfully used to detect cultural differences between Chinese and U.S. managers. Unlike Earley's (1989) findings, though, I found a two-factor solution when the items were factor analyzed. Three of the items loaded on one factor and thus it was decided to exclude the errant item from further analysis, which resulted in an increase in the reliability of the scale. Coefficient alpha for the remaining three was .52, compared with .41 for the original four items.

Korean questionnaires were prepared using a committee method described by Brislin (1980). Two bilingual Koreans translated an English version of the questionnaire into Korean. The resulting translation was then checked by a third bilingual Korean.

4. Results

The results indicate, the Korean managers were found to be younger, more likely to be male, have lower levels of educational attainment, and less tenure in their company than their U.S. counterparts. In all subsequent analyses, these demographic differences were held constant in the comparisons by using ANCOVA. It was assumed that Korean managers would exhibit greater collectivism than the U.S. managers, a finding that was confirmed ($F = 5.9$, $p < .05$).

4.1 Hypothesis Testing

Each hypothesis was tested using one-way ANCOVAS with the demographic variables serving as covariates.

Hypothesis 1. The first hypothesis predicted that Korean managers would be more willing to offer to resign than their American counterparts. This prediction was confirmed ($\overline{X}_{Korean}= 4.1 > \overline{X}_{US} = 1.8$, F = 71.9, p < .01).

Hypothesis 2. The second hypothesis suggested that Korean managers would be more willing to make a formal apology to their VP than American managers. This hypothesis was confirmed ($\overline{X}_{Korean}= 5.5 > \overline{X}_{US} = 3.5$, F = 57.1, p < .01).

Hypothesis 3. The third hypothesis predicted that, relative to U.S. managers, Korean managers would be less willing to reprimand their team members. This was not confirmed. In fact the actual pattern was the opposite to the prediction. Korean managers were more willing to reprimand their team members than American managers ($\overline{X}_{Korean}= 3.7 > \overline{X}_{US} = 2.1$, F = 46.4, p < .01).

Hypothesis 4. Finally, the fourth hypothesis predicted that Korean managers would be less willing to keep distance from their team than U.S. managers. This prediction was not confirmed ($\overline{X}_{Korean} = 2.0$ vs. $\overline{X}_{US} = 1.7$, F = 2.6, p > .01).

5. Discussion and Conclusion

The primary goal of this study was to determine whether managerial responses to group failure would differ between collectivistic and individualistic cultures. Although the hypotheses were only partially supported, the overall pattern of results is consistent with the view that culture influences managers' behavior intentions. This suggests that at least some theories of management and organizational behavior may be culture bound (Adler 1991; Hofstede 1980b).

As expected, Korean managers were more willing to offer to resign and to make a formal apology. Both results are consistent with the belief that collectivistic cultures place greater emphasis on the interests of the group relative to its individual members or leaders.

However, it is difficult to interpret the unexpected findings. One possibility might be that U.S. companies adopting Japanese approaches to management may have become more collectivistic as group-based organization design practices are adopted. Hoerr (1990) reported that U.S. companies adopting Japanese management principles have become more team-oriented, adopting cultures that emphasize teamwork rather than individual achievement. Although impossible to verify in the data, it is possible that American managers have become more team-oriented and thus less individualistic since Hofstede's (1980a) seminal work. The period of the 1980's and early 1990's has been one of intense interest in management practice and questioning of traditional techniques (e.g., Peters and Waterman 1982). As a consequence, many U.S. organizations have altered their cultures to stress teamwork and collaboration as individual problem solving has become inadequate for increasingly complex organizational problems (Hirschhorn 1991). It appears that team-oriented training and socialization programs reinforced by team-based reward structures have been a definite trend in organizations and business schools in the U.S. (Economist, 1991). One possible outcome of this new trend is that managers in many U.S. organizations have been socialized to value teamwork and thus to perceive the psychological distance between themselves and their team to become increasingly close.

Future research is needed to replicate the findings of this study in an effort to better understand these relationships. First, the findings of this research were based on a field simulation methodology. Although I believe that this methodology was effective in revealing cross-cultural differences, future research is needed to examine managers' behavioral intentions in a field setting. Second, further investigation is needed to identify moderating factors such as organizational culture. This would help develop a better understanding of contextual influences (e.g., organizational culture) on managerial responses to failure. Lastly, the relatively low coefficient alpha for collectivism scale in this research suggests that there is a need to develop more reliable culture scales.

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