

NATIONAL CULTURE AND MANAGEMENT CONTROL SYSTEMS: AN EXPLANATORY STUDY ON THE IMPLEMENTATIONS OF FOREIGN MCS IN JAPAN

Wooseok Suh
Nagoya University, Japan

ABSTRACT

In a borderless international economy, the relationship between national culture and Management Control Systems (MCS) is inseparable and complex. A multinational corporation faces cultural differences across countries in operating and controlling its subsidiary. And, the differences in cultures influence the implementation of organization's strategies that is characterized as MCS. This study reports two different cases of MCS implementations in a Japanese organization by foreign-owned multinational corporations. The changes of MCS implementation and its interaction with Japanese employees have been observed with American company's acquisition of a French-Japanese joint-venture. Through the changes, Japanese employees experienced both goal congruence and anxiety between Japanese cultural context and foreign MCS. This paper deliberates the historical events from the perspective of national culture and MCS. Findings provide suggestions for potential directions of future cultural research in MCS.

Keywords: Management control systems, National culture, Japan, France, and U.S.

INTRODUCTION

The influence of national culture on the design and use of MCS has been highlighted in recent years with the growing globalization of world economy. At the micro-level, employment by foreign companies has increased. Thus, individuals working for foreign companies experience cultural differences in the implementation of MCS. If superiors or subordinates were foreign nationals, the differences could be explicit in responding to various aspects of MCS. Above all, multinational corporations also encounter the issues derived from diverse cultural differences with their overseas operations. In both cases, the understanding of cultural diversity and influence is crucial to avoid misleading and unnecessary conflicts. Multinational companies have to deal with cultural differences across borders in the pursuit of global strategy through the implementation of MCS. The most efficient way is to transfer home country's MCS abroad to maintain the same level of management control. However, the effectiveness of home country's MCS may be challenged by individuals who possess different cultural values. Therefore, culturally-supported MCS has higher potential for the successful implementation. This belief has functioned as a starting point of many contingency-based MCS research with national culture.

Early research was concerned with defining and understanding of culture as an independent contextual variable. However, different interpretation of culture led to various research perspectives and methods (Bhimani, 1999). In the management accounting-related studies, Lincoln et al., (1981) tested the relationship between organizational structure and cultural contexts in Japanese-owned firms. Birnberg and Snodgrass (1988, p.448) had defined culture as one of the forces guiding human decision making in the cross-cultural study of MCS in Japan and U.S. With cultural dimensions established by Hofstede (1980), those intangible values were quantified to index scores which allowed cross-cultural researchers to undertake the comparative studies of MCS in the scientific method. Hofstede developed four cultural dimensions: power distance (PD), individualism versus collectivism (IDV), uncertainty avoidance (UA), and masculinity versus femininity (MAS). Long-term versus short-term orientation (LTO) was added as fifth dimension after a study on Chinese values (Hofstede & Bond, 1988).

Prior studies with Hofstede's cultural dimensions (Chow et al., 1991, 1994, 1996; Harrison, 1992, 1993; Ueno, 1993; Merchant et al., 1995) were inclined to examine the cultural influences on MCS practices between Asian cultures and Anglo-American ones. Comparison between two different cultures made it feasible for researchers to test their predictions with selected MCS practices. For example, Chow et al. (1991) found that IDV is associated with manufacturing performances with workflow and pay in Singaporean and American nationals. Chow et al. (1996) also found that UA and PD support tight procedures and directives in Japan. Harrison (1992, 1993) suggested that both IDV and PD have influence on budgetary participation and reliance on accounting performance measures with job tension and satisfaction in Singapore and Australia. In comparing Taiwan with U.S., Merchant et al. (1995) demonstrated that LTO is positively related with long-term incentives, but other cultural differences failed to support research propositions. Similarly, only IDV proved to be a dominant predictor of budget control practices between Japan and U.S. managers (Ueno & Sekaran, 1992; Ueno, 1993). In spite of the considerable differences in the Hofstede cultural dimensions between Japan and U.S., Chow et al. (1994) failed to provide logical link between cultural dimensions and MCS characteristics in an experiment. These studies proved that other factors had influences on MCS besides national culture. Other researchers (O'Connor, 1995; Chow et al., 1999) tried to limit those variables by focusing on a single nation setting. O'Connor (1995) found that PD plays a vital role in participative budget in Singapore. Chow et al. (1999) showed that foreign firms in Taiwan modify their home country's MCS.

In summary, prior research contributed to the understanding of relationship between national culture and MCS. Without a generalized theory due to the lack of consistency in prior research results, tentative conclusion is that IDV and PD tend to have a certain extent of influence on the usefulness of MCS in the comparative studies between Asian nations and Anglo-American nations.

Hofstede's values provided clear characteristics of each cultural value for convenient and wide applications. However, because of high score in a cultural dimension, it seems unlikely that the culture has a preference over a certain MCS practice. Between national culture and MCS, there are numerous reciprocal practices and other variables that can interplay. The

latter can be excluded under an intended situation. However, the former requires close examination of actor's practices with its intent and change.

This paper analyses cases where Japanese employees interacted with two different types of foreign MCS. Instead of using Hofstede's cultural dimensions to explain patterns of practices and to compare it with prior research, emphasis is placed on the interaction between Japanese employees and foreign MCS by describing actual facts from the perspective of national culture and MCS. An organizational culture does not simply reflect a national culture because other factors such as organizational policies or performances shape the organization-specific characteristics. The interactions in this study also explain how organizational culture diverges from national culture.

This study is meaningful to foreign companies that operate business in Japan or to plan to do so. Detailed description of tension and dynamism around MCS suggests evidences of how new MCS can be implemented in Japanese culture rather than answer what MCS can fit Japanese culture. Since the outcomes and responses of two MCS implementations are distinct, both cases provide useful insights into MCS research. Lessons here can be mirror in which Japanese companies can see their own reflections and make them deliberate how to handle MCS in their foreign subsidiaries.

RESEARCH DESIGN

Research was undertaken in currently an American glass-making company. Data were collected while researcher was a full-time employee in the glass-making company from 2006 to 2009. As a member of controlling team, all the financial data as well as qualitative information were available for research preparation and analysis. The advantage of ethnographic research is that it allows researcher to access in-depth details through participant observation (Myers, 2009). With interpretive approaches, MCS was placed in the cultural context and studied how it communicates with social actors as a social practice (Ryan et al., 2002). By describing complexity and interdependence of actual events, rich insights advance the understanding of how national culture is associated with MCS.

Here it is given pseudonym AG for the American glass-making company. The previous joint-venture between a French and a Japanese glass-making company before the acquisition by AG is named as FGJG. Accordingly, FG indicates the original French glassmaking company and JG is referred to the Japanese glass-making company.

FG had presence in Japan since 1950s, and maintained several joint-ventures with various Japanese companies for automotive glass, refractory, etc. In 2002, FG decided to establish a new joint-venture (Majority: FG 60%, Minority: JG 40%) with JG for glass fiber division. Since the joint-venture was formed by purchasing of JG's shares, location was inside of JG plant site. Most Japanese employees were transferred or dispatched from JG but management team was replaced by FG. JG's managers were reluctant to transfer with the concern of job security. But JG persuaded them to do so with guaranty of reemployment if they want to come back to JG. Before long, 4 young managers were dispatched from FG's Paris head office: general manager, marketing manager, IT manager, and controlling manager. All of them are in their 30s. In addition, general manager and marketing manager were graduates from top elite schools, grandes écoles. The general manager was in full charge of local entity's business like president.

New joint-venture capitalized at JPY 1 billion with monthly revenues in excess of JPY 800 million. The number of employees was around 200 including sales and administrative people. Production volume was 2,500 tons monthly and sales volume was 4,000 tons including trading goods. It also has two furnaces with its own alloy shop where they produce their own refractory alloy for furnaces.

New Enterprise Resource Planning (ERP): ERP system was introduced in 2004 to be aligned with FG group system by the help of internal and external consultants. Manufacturing process was redefined with specific cost driver and activity-based costing was applied under standard cost accounting. After new system was implemented successfully in FGJG, French IT manager went back to France. In 2006, both FG and AG announced the intent to merge glass fibre business.

AG was founded in the United State, in the 1930s. It used to be a producer of building materials and composite solutions. In 2007, AG

acquired FG's reinforcements and composite businesses to strengthen its position in glass reinforcements. Accordingly, FGJG was acquired by AG (100%) in 2007. Right before the change of ownership, FGJG's general manager, finance manager, and controlling manager were drew back to FG. The controlling manager position was replaced by a Japanese controlling manager from one of FG's Japanese affiliates. The general manager and finance manager were replaced by existing local AG employees.

MCS INTRODUCTION PERIOD

Distrust toward Japanese Colleagues in FGJG

To prepare detailed group reporting by different business units and to better manage local operations, FG's group ERP system was introduced to FGJG by full support of headquarters. French IT specialists from headquarters and locally hired external consultants worked together day and night to meet project schedule. French controlling manager played a mediating role between France ERP team and Japan operations. Cost centre structure and cost drivers were determined to reflect local operations as accurate as possible. For example, 161 cost centres were created including for controlling purpose ones and 65 cost centres were categorized as work centres with defined activities.

"Why do we have so many cost centres? They look so complicated and need a lot of work to maintain the system." I asked an accountant in finance department after joining FG. She answered "We also do not understand why, but now we are accustomed to it. One thing clear is that we cannot close our book at month-end without Jacques. He is the only person here who can handle this complex system."

Controlling manager was the only person who fully understands the logic inside the system with previous work experience. Other finance members often consulted him for the system. Through another talk with controlling manager, the reason was known. Jacques said: "I do not want to others to run the system. If they make a mere mistake, it really takes time for me to find and fix it during month-end closing." Distrust toward Japanese colleagues served as the foundation for his work attitude rather

than the complexity of system. But when his return to FG was decided, he hurried to pass all his duties to successors.

Indifferent to Japanese Culture in FGJG

French IT manager and controlling manager were located in main building of plant site with finance and other administrative departments. The building was still shared with JG. Once in a while, controlling manager was late for work, and skipped the morning exercise session where all employees both FGJG and JG were supposed to join together outside. One day HR manager tried to persuade him:

“Jacques, you should not be late for work. You are a manager. It is deteriorating office atmosphere.” Even we, administrative Japanese employees, are obliged to wear uniforms and go outside for exercise. Otherwise, shop floor workers will complain of this. Please come early and join the exercise.”

“I don’t understand why I have to do so. I worked late last night. Also, in France, it is quite normal being late to work 30 minutes. You can check this with FG’s Tokyo office.”

Even though it is not part of French business culture, doing morning exercise in company uniform is the norm in the FGJG. Not by accepting HR manager’s advice, his reputation was damaged and Japanese employees wondered whether his behaviour is grounded on French culture or his own personality. To the French expatriates, FGJG was just a French company. They did not feel the need to adapt to Japanese business culture. On the contrary, they maintained their own way and expected Japanese to understand it.

Convergence of Management Accounting Information in AG

After acquisition, a regional cost controller in Asia Pacific (AP) region visited newly acquired FG sites to train new controlling team how to prepare AG’s global cost reports. Material grouping and cost accumulation were not aligned with local manufacturing process and costing systems. Fabric materials measured by m2 in FG had to be transformed into kg for this

reporting. In addition, a product with special treatment was categorized simply based on diameter. To prepare the standardized dashboard for upper management in the regional head office, AG required all manufacturing sites to submit the same reports.

Controlling manager asked production manager to help her in grouping product category based on AG's definition when regional cost controller visited AG:

"Takahashi-san, we need your help. Do you have a minute? This is Mr. Kim from Korea. He is a cost controller for AP area. We have to reclassify our products to fill out new AG reports. These products are not clearly defined by AG; please advise us which category is closest to these products"

"Wow! What is this? No, no. This product is using very expensive sizing developed by our Nomura-san. See, sizing code starts with N after his name." Takahashi-san expressed his surprise. "No wonder, its standard cost is so expensive. But we have to classify by diameter according to AG's definition. Please help us." I asked him again. "What are they going to do with these reports? It is non-sense." Takahashi-san asked us about the use of report cynically.

"We compare each site's costs on product level for benchmarking." Mr. Kim answered instead of us.

In AG, local management accounting information was reproduced by local controlling team to fit predetermined AG reports. This process involved relevant employees in the preparation as observed above. Participants soon realized that the reports did not consider each site's specific situation. But those reports converged into simple numbers to provide a snapshot of local performances. Regional management team used the standardized accounting information as though the numbers on the reports were directly linked to financial performances.

MCS IMPLEMENTATION PERIOD

Management by Intrinsic Discomfort in FGJG

With the implementation of ERP system, controlling manager collected and inputted the actual consumption quantity of each work centre into system during month-end closing. As such, the contacts with other manufacturing operators had been facilitated for data checking. Under new ERP and French management, all employees participated in period-end closing by providing production data requested by controlling manager. All employees were busy like finance team during closing period, and they became concerned with their monthly result. If activity reports showed unexpected deviation compared with previous month, they were asked to investigate it before controlling manager finalized it. After month-end closing, responsible employees received cost centre reports with variance analysis about their departments. Finance manager, production director, and general manager also received all the reports with those employees. Monthly management meeting was held in plant site to discuss financial results (including variance report), inventory level, production issues, and market trend. Open-book management (Case, 1995) also increased the production managers' interest in company's financial performance.

“Hi, Jacques. You need to know this. We cleaned floor with tap water because oil was split over. Do not be surprised to see the water consumption with batch cost centre at the month-end.” When Takahashi-san visited main office for HR, he talked to controlling manager and reported activities which would cause unfavourable variance in advance.

Even though the monthly variances were not always bad or seriously counted for performance measurement, unfavourable variances meant shame to Japanese managers. They knew how variances were created in the system and appreciated the visualization of detailed monthly result. But they concerned about the fact that upper management shared the same reports. In addition, they believed that creating favourable variances was the only way how they could contribute to company. Japanese employees spontaneously tried to generate favourable variances with their colleagues and subordinates.

Thanks to ERP system and variance reports, the interrelation between finance and production became stronger. In the past, they thought that, if they hand over invoices to finance by the end of month, book closing was a duty of finance. But Japanese employees started to perceive the standard cost as a starting line beyond which they should create favourable variances rather than as a finish line to meet in the end.

Wrongly Opened Book Management AG

In reporting to regional headquarters, each local site was told to input the data into excel files in a shared folder of Shanghai server. The management accounting information for all 7 manufacturing sites (2 in China, 2 in Japan, 1 in Korea, 1 in Thailand, 1 in India) became available to all finance people. Each site's performance indicators were compared and large deviation from average required additional comments from local controlling team.

“Takahashi-san, you have been to Korea plant, right? On this report, unit manufacturing cost in Korea plant is \$1.02/kg whereas our plant is almost \$2/kg. Manufacturing cost is even decreasing in Korea.” Controlling manager asked production manager. “Yes, I went there with Ikeda-san last month. It was quite a new plant compare with ours. They do not have direct chopping process like us. They wind a yarn and dry it. And then chop. The products they manufacture are very limited. I will check and let you know.”

By sharing needless information among subsidiaries, local controlling team's focus shifted *from their own operations to the results of other operations*. Analysis of performance measures from other sites consumed unnecessary time and energy companywide. Wrongly opened book distracted local teams' attention. Especially in Japanese organization, cooperation across departments was exerted to analyse other sites' results and to beat them ultimately.

CONTROLLERSHIP SHIFT IN MCS IMPLEMENTATION

Interaction of MCS in FGJG

French controlling manager centrally collected local information and prepare all the internal and external reports. He validated all the data in the system and adjusted data for book-closing. The information processed by local controlling is official and final. If any financial information was needed, employees could ask for it anytime.

“Jacques, can you give us some sales data to check stock movement? I plan to prepare a report to trace stock movement by material groups” Supply chain manager asked Jacques for sales data.

“No problem, actually, I have similar one which I have prepared for myself. I will send it to you. Please take a look and let me know if you need additional information”

Controlling manager was not an information provider for management. He understood his duties and supported other functions with financial data. Sometimes, he proactively provided production managers operational reports to give the impression ‘being watched’. His sincere attitude toward work restored the trust among Japanese employees.

MCS Implementation across Borders in AG

In AG, functional hierarchy was formed with new report line and approval process. Most of local cost managers had to report to new superiors in foreign countries such as China, Korea, and U.S. etc. Telephone conference call and electric communications appeared as routine communication tool in the implementation of MCS across borders.

“Indian-speaking English was not easy to understand with its strong accent. And it seemed that the Indian manager was outside. I heard the car horn sound throughout the meeting. Anyway, can you check the last month’s production volume? My boss said that production volume which I reported is slightly different from what he received from regional finance team.” Production manager said to controlling team after a conference call.

Language skill became another key element in MCS implementation with its international exposure. Some local Japanese managers felt anxiety about the conference call in English due to their poor English ability. Some of them brought their bilingual subordinates into the telephone conference call for better communication. This hurt their pride while subordinates were not satisfied with simple interpreting task.

Each local department was managed respectively and had to submit own reports on performances to their superiors. Since those superiors received similar reports from global or regional finance team where local controlling team was reporting, discrepancy detected in the management level where all information was available across departments. This entailed ex-post checking processes back to local departments.

Silo Organization Hindering Clan Control in AG

Superiors in overseas implemented their own MCS to achieve its departmental goal. By organizing periodic telephone conference or electric conversation, orders and reports were communicated within the global department.

While we were having an after-work gathering with colleagues from finance, IT, and supply chain, IT manager asked to be excused for a while for an IT telephone conference call. Due to time difference with Japan and U.S., meeting was set early in the morning or late in the evening. After he came back, he said:

“I visit Shanghai next month on business trip. All IT managers from AP region will join the meeting. It seems that Chief-Information-Officer wants to organize IT meeting more frequently. And, I may move to Tokyo to supervise Tokyo IT team, too. I will travel to plant sites for technical issues.” “I envy IT department. We are still told to reduce warehousing costs.” Supply chain employee grumbled about her team.

Different MCS for local departments were implemented in AG, hindering existing clan control (Ouchi, 1979). All local employees used to be treated the same under one general manager in FGJG. But in AG global or regional head of department executed his or her MCS to handle the

global organization. After the merger, I had a chance to talk to AP regional managing director. He complained about IT support: “After merger, I didn’t see any synergy effect from IT. The only change which I can feel is my email address has been changed to AG.” Even he was not satisfied with IT support in his region, he was not able to tackle those activities of IT departments because the orders were from upper management.

DISCUSSION

The cases in previous sections have shown the interactions between new foreign MCS and Japanese employees in a glassmaking company. Assuming Japanese employees share the same cultural values, the interactive practices can be understood on the ground of Japanese culture.

MCS Introduction Period

MCS in FGJG was better understood with Japanese employees despite early cultural conflicts from the attitude of French expatriates. Ostensibly, diagnostic control (Simons, 1995) such as tight budget control based on standard costing system is regarded as a more suitable practice for Western culture. But FGJG management successfully implemented it in a Japanese organization. By contrast, AG’s MCS which include clear orders without responsibility failed to receive support from Japanese employees. In addition, dashboard platform used by AG is a more modern performance management accepted by multinational companies nowadays.

FG implemented its MCS in FGJG for the better management of local operations. They used internal resources in transferring the same ERP system to have the same MCS structure and foundation. FG’s MCS is equipped with basic two elements which successful MCS should embed in. FG’s French managers and MCS treated Japanese employees fairly. In other words, all Japanese employees are equal in French managers’ eyes. FG’s French managers were indifferent to Japanese business culture or seniority. To them, all the Japanese employees were the same regardless of position or age. Also French managers’ dichotomous view of employees (French vs non-French) contributed to the organizational solidarity among Japanese employees.

In the activities of strategy formulation and management control, decision-makers were always French expatriates (Anthony and Govindarajan, 2001). Within the boundary of the task control process only, Japanese employees were allowed to exert their influence. Secondly, the MCS was based on extremely strong logic and accurate numbers. No one could challenge the logic. Question from Japanese was always “Do we really have to do so to calculate accurate numbers?”

By contrast, AG’s MCS was implemented by each departmental head to coordinate global organization. First of all, management accounting lost its usefulness through excessive region-wide standardization. The process of standardization frustrated local employees. Existing budget control MCS became invalid and MCS itself lost an influencing role and changed into mere management accounting systems or decision-support system. (Chenhall, 2003) In reproducing local management accounting information for simple dashboard on a regional level, relevance was lost and suspicion was regained.

MCS Implementation Period

FGJG has implemented ERP system to management with exception’s concept. Without stressing employees to reduce unfavourable variances, intrinsic punishment such as losing face was exploited healthfully throughout open-book management. Information preparer, user, and managers had the same understating on the same number. No discussion was needed as to how numbers in internal reports were calculated and what those numbers meant. More focus was placed on variance analysis. Japanese managers were not comfortable with unfavourable variance in their responsible areas, and continually tried to generate favourable variance which was linked to organizational performance. Under the circumstances, standard cost system in FGJG functioned as an influencing role rather than traditional informing role (Hiromoto, 1988).

In AG, by sharing management accounting information with other subsidiaries, information users lost their focus. The sharing and storing of financial information in the shared space has increased with the advance of web-based software. Unnecessary information played an obstacle to the implementation of MCS.

Controllership Shift in MCS Implementation

The physical distance between French controlling manager and Japanese employees did not exist. In the same workplace, they cooperated with each other to achieve organizational goal. MCS originally introduced to manage local operations developed into a communication tool among French management, local managers and employees. The general manager determined or delegated a task. French controlling manager and local managers played roles of detector and effector for measurement and corrective action. Employees were performer and improver by behaving and reporting issues. Without location limitation, input to MCS or feedback from MCS were performed in real time with the same understating on contexts.

In the organizational silos of AG, department heads in each function were decision makers for local operations. Local managers' responsibilities lay in executing orders from their functional superiors. Thus, they did have to bear responsibility for local performances. However, they felt frustrated with those orders from superiors who do not have profound understanding of local situation. For Japanese employees, JG was the first workplace and had been working around 20 years. By following those decisions, their work ethics and company loyalty were damaged. In addition, organizational silos hindered cross-department cooperation, and decoupled-information sharing between departments resulted in increased anxiety. What is worse, English ability burdened their mind with frequent conference calls.

CONCLUSION

This qualitative study has presented evidential cases in which Japanese national culture interacted with foreign MCS. Research findings suggest that national culture does not have a preference intrinsically over certain characteristics of MCS. The cases reveal that all kinds of MCS have the possibilities for successful implementation in any cultural context if the interaction between elements of national culture and characteristics of MCS characteristics is clearly understood. The interaction ranges from actor's mind-set to all the practices actor takes towards the MCS. The interactions need to be linked logically to motivate actor to move cooperatively towards the goal of MCS.

In case of FGJG, Japanese employees saw the clear link between MCS goal and organization goal. This resulted in cooperative attitude to a foreign MCS. On the contrary, the same Japanese employees felt frustrated with decisions made by their foreign superiors in AG. This is because they failed to find nothing but personal ambition between MCS goal and their orders.

This study has a limitation with its setting: in one organization with limited time horizon. In addition, observation had been conducted before research was decided. Many MCS research had been conducted from the manager's point of view. Therefore, research questions included transitive verbs such as how to 'use', 'design', or 'implement'. For MCS to successfully implemented, cooperation from employees is indispensable. Thus, more neutral position should be considered in the future MCS research, for example, asking 'how MCS can be interplayed'. Only half of the answer lies within the domain of management accounting, leaving the rest in that of social science.

REFERENCES

- Anthony, R. N., Govindarajan V. (2001), *Management Control Systems*, Tenth Edition McGraw-Hill.
- Bhimani, A. (1999). "Mapping Methodological Frontiers in Cross-national Management Control Research", *Accounting Organizations and Society*, 24, 6; 413–440.
- Birnberg, J. & Snodgrass, C. (1988), "Culture and Control: A Field Study", *Accounting, Organizations and Society*, 13, 5; 447–464.
- Case, J. (1995), *Open-book management*, New York: Harper-Collins.
- Chenhall, R. H. (2003), "Management Control Systems Design Within its Organizational Context: Findings from Contingency-based Research and Directions for the Future", *Accounting, Organizations and Society*, 28, 2-3; 127-168.

Chow, C. W., Shields, M. D., & Chan, Y. K. (1991), "The Effects of Management Controls and National Culture on Manufacturing Performance: An Experimental Investigation", *Accounting, Organizations and Society*, 16, 3; 209-226.

Chow, C, Kato, Y., & Shields, M. D. (1994), "National Culture and the Preference for Management Controls: An Exploratory Study of the Firm Labor Market Interface", *Accounting Organizations and Society*, 19, 4-5; 381-400.

Chow, C. Kato, Y., & Merchant, K. A. (1996), "The Use of Organizational Controls and Their Effects on Data Manipulation and Management Myopia: A Japan vs U.S. Comparison", *Accounting, Organizations and Society*, 21, 2-3; 175-192.

Chow, C. W., Shields, M. D., Wu, A., (1999), "The Importance of National Culture in the Design of and Preference for Management Controls for Multi-national Operations", *Accounting, Organizations and Society* 24, 5-6; 441-461.

Harrison, G. (1992), "The Cross-cultural Generalizability of the Relation between Participation, Budget Emphasis and Job Related Attitudes", *Accounting, Organizations and Society*, 17, 1; 1-15.

Harrison, G. (1993), "Reliance on Accounting Performance Measures in Superior Evaluation style - The Influence of National Culture and Personality", *Accounting, Organizations and Society*, 18 (4), 319-339.

Hiromoto, T. (1988), "Another Hidden Edge: Japanese Management Accounting", *Harvard Business Review*, 66, 4; 22-25.

Hofstede, G. (1980), *Culture's Consequences: International Differences in Work-related Values*, Beverly Hills, CA: Sage Publications.

Hofstede, G. & Bond, M. H. (1988), "The Confucius Connection: From Cultural Roots to Economic Growth", *Organizational Dynamics*, 16, 4; 5-21.