

Country Context in Management Research: Learning from John Child

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ABSTRACT In honouring John Child receiving the 2012 IACMR Lifetime Contribution Award, we present this Editors' Forum to showcase his research into the influence of country context on organizations. The forum starts with an invited paper by Child and Marinova that analyzes the challenges faced by Chinese firms in their outward foreign investment. This is followed by four commentaries from Klaus Meyer, Peter Murmann, Kwok Leung, and Gordon Redding. The forum concludes with some reflections by Child and Marinova on the commentaries. Collectively, these six papers provide rich and inspiring insights into John Child's approach to research and how we can learn from it. Five general observations are offered as suggestions for improving current research practice, including: (1) deepening contextual understanding; (2) theorizing across disciplines; (3) respecting the phenomenon; (4) recognizing cultural contingencies; and (5) rebalancing research criteria.

KEYWORDS Chinese management research, contextual effects, cross-national research, interdisciplinary theorizing, organization theory

管理研究中的国家情境：向John Child学习

摘要

为了向荣获2012年IACMR终身贡献奖的John Child致敬，我们呈献了这个主编论坛来展示他有关国家情境对组织影响的研究。本论坛以Child和Marinova的受邀论文开始，这篇论文分析了中国企业对外投资面临的挑战。随后是由Klaus Meyer, Peter Murmann, Kwok Leung和Gordon Redding等人所作的评论。最后是Child和Marinova对上述评论进行的评论。总体而言，这六篇论文所提供的丰富且具有启发性的见解，有助于了解John Child的研究方法，并帮助我们了解如何从中学习。为提高当前的研究实践提供了五点观察，包括：（1）深化情境性的理解，（2）跨学科的理论建构，（3）尊重现象，（4）承认文化的权变性，以及（5）研究标准的再平衡。

关键词： 中国管理研究，情境性影响，跨国研究，跨学科理论建构，组织理论

INTRODUCTION

Management scholars have long debated the role of country context in explaining the behaviour of organizations and the people who work within them. Some have argued for the development of ‘context-free’ theories that exclude country-related explanatory factors and focus on relationships that are invariant across different societies (e.g., Hickson, Hinings, McMillan, & Schwitter, 1974; Kohn, 1987). Others have taken the opposite position. They argue for ‘context-specific’ or ‘indigenous’ theories that seek to explain an organizational phenomenon by reference to explanatory factors that are unique to the country or societal setting where the phenomenon occurs (e.g., Tsui, 2006; Van de Ven & Jing, 2011). Despite the many years of research and discussion, there is not yet a consensus on which of these two approaches is more valid or useful.

Amidst this debate some thirty-five years ago, John Child (1981) published his ‘Culture, Contingency, and Capitalism in the Cross-national Study of Organization’ paper and proposed an integrative framework for a systematic analysis of the effects of country context on organizations. Specifically, he argued that some aspects of organizational behaviour (e.g., work motivation and governance issues) are more susceptible to influences from a country’s cultural and political systems, while other aspects (e.g., structural configuration and coordination mechanisms) are more universally determined by task contingency factors. Child provided theoretical explanations for each argument, and called on management scholars to adopt a more holistic approach to researching the role of country context. Such an approach would pay equal attention to both aspects of organizational behaviour, and seek to identify the conditions under which the ‘context-free’ or ‘context-specific’ argument is most applicable.

Although Child’s (1981) paper has been widely cited by management scholars, few have adopted his recommended holistic approach to investigate the effects of country context on organizations and management practices. Most of the published studies continue to be motivated by either the ‘context-free’ or ‘context-specific’ argument, with little interest in integrating the two approaches to develop a more comprehensive theory to explain organizational phenomena (see recent review by Tsui, Nifadkar, & Ou, 2007). This current practice is impeding research progress and needs to be corrected. If the management field is to benefit from the increased research interest in the cross-national study of organizations, particularly those based in the large emerging economies like China (Lewin, 2014), we need to be more creative in investigating the influence of country context on organizations.

THE EDITORS’ FORUM

To help provide an opportunity for colleagues to learn from his work, we invited John Child to share his latest thoughts on the role of country context in management research. These are presented as the lead paper by Child and Marinova

(2014a) in this Forum. Additionally, we invited four senior scholars to comment on the paper with a focus on one or two main points with which they either agree or wish to challenge. These four commentaries are followed by a response from Child and Marinova, which appears as the last paper in the Forum.

Below, I highlight some of the key ideas from each paper and conclude with a discussion about the main lessons learned and implications for future research.

The Role of Contextual Combinations in the Globalization of Chinese Firms (John Child and Svetla Marinova)

This paper builds on and extends Child's prior research on the effects of a single country context on organizations. It examines the theoretical and policy implications of taking into account both home and host country contexts for Chinese firms investing in foreign countries. Drawing upon theoretical insights from economics, sociology, and political science, the authors argue that Chinese firms would need different institutional and resource capitals in order to operate successfully in foreign countries that are different from or similar to their home country context. Their analysis focuses on two key dimensions of the home and host country contextual combination: political stability and institutional maturity. In addition to identifying the specific institutional and resource capitals needed for Chinese firms in three different contextual combinations (categories A, B, and D in Fig. 2 of Child & Marinova, 2014a), the authors discuss how their analytical framework can be applied more generally to the study of outward foreign direct investment (OFDI) originated by firms from any country.

What the Fox Says, How the Fox Works: Deep Contextualization as a Source of New Research Agendas and Theoretical Insights (Klaus E. Meyer)

Describing John Child's approach to management research as a fox in a community dominated by hedgehogs, this commentary highlights three important characteristics of Child's approach that make his research both distinctive and influential. These include: (1) his deep and broad understanding of the empirical context of the phenomena that he has been studying; (2) his adoption of a multifaceted and qualitative approach to treating the context instead of a reductionist approach that focuses on a few quantifiable key facets; and (3) Child's pursuit of management research not as a quest for theory, but as a mission to develop new theoretical insights and a deeper understanding of broad social phenomena related to business management. These three characteristics can be found in many of Child's prior works, and are most illustrative in the paper included in this Forum. As summarized by Meyer in his commentary, Child and Marinova (2014a) demonstrate not only the power of a deeply contextualized examination of a phenom-

enon in generating insights into that phenomenon, but also show how such a phenomenon-motivated approach can serve to outline research agendas and develop new theoretical concepts for future advancement.

Reflections on Choosing the Appropriate Level of Abstraction in Social Science Research (Johann Peter Murmann)

In this commentary, Murmann (2014) elaborates on the debate between the ‘context-free’ and ‘context-specific’ approaches to management research and identifies a tension regarding the level of abstraction for generalization in the Child and Marinova (2014a) paper. Specifically, he observes that the paper starts off by proposing an analytical framework to enhance our understanding about OFDI from China but ends with the claim that the framework can be applied to any source country. Because the analytical framework was developed based on data and knowledge specific to Chinese firms, Murmann questions both the validity and necessity of claiming that the framework has universal applicability. He concludes by suggesting that management scholars should place higher priority on developing ‘context-specific’ over ‘context-free’ theories. His reasoning is that ‘research that can deepen our understanding of twenty percent of all firms in the world is a lot better than research that makes trivial contributions to our understanding of one hundred percent of all firms in the world’ (Murmann, 2014: 389).

Globalization of Chinese Firms: What Happens to Culture? (Kwok Leung)

While agreeing with the political stability and institutional maturity dimensions of the Child and Marinova (2014a) analytical framework, Leung argues that it needs also to include a cultural dimension in order to capture more fully the challenges facing the globalization of Chinese firms. Specifically, he explains how cultural differences, intercultural competence, and culture-based intergroup dynamics shape the learning and adaptation of Chinese firms, which in turn determine their eventual success in international markets. He then uses Singapore and Japan as examples, two countries with high political stability and institutional maturity, to illustrate the continued influence of traditional culture on business and management practices. Because of the lack of existing knowledge on this topic, Leung calls on management scholars to conduct programmatic research on the culture-related issues confronting the globalization of Chinese firms.

The Unexamined Differences in Dreams: Chinese Firms’ Globalization and Interface Challenges (Gordon Redding)

This commentary focuses on cultural mindsets as an important factor in understanding how the ‘qualitative interface’ in contextual combinations identified by

Child and Marinova (2014a) actually affects Chinese firms in their globalization efforts. While political stability and institutional maturity of both home and host country contexts set the stage for cross-border interactions between firms, the cultural mindsets of the executives from different countries will ultimately determine the final outcomes of their interactions. As Redding explains, 'culture remains embedded in the collective mindset from a long history of its evolution and so is prior to any current political or social institutions, even though those institutions may well be epiphenomenal ways of interpreting it'. He concludes by suggesting that cultural mindsets be included as an explanatory factor in analyzing the 'qualitative interface' and its impact on the globalization of Chinese firms.

LEARNING FROM JOHN CHILD

As can be seen from the above discussion, both the Child and Marinova (2014a) paper and the four commentaries offer new and exciting ideas to further advance the research agenda regarding the role of country context in explaining organizational behaviour. These ideas range from investigating the effects of contextual combinations of the home and host countries on OFDI firms with focus on the economic, political, and cultural dimensions, to conducting research by first developing country-specific theories with sufficient explanatory power before seeking to expand their applicability to other countries. Building on these ideas, I offer five broad observations as lessons learned from John Child's research approach that can help expand our knowledge about the influence of country context on organizations.

Deepening Contextual Understanding

The current debate regarding the 'context-free' vs. 'context-specific' approach to management research can be viewed as a contrast between treating country context as a set of analytical variables vs. treating it as a boundary condition (Cheng, 1994). In addressing this debate some forty-five years ago, Prezworski and Teune (1970) suggested replacing country names with analytical variables and using cross-national settings as quasi-experimental sites for investigating the effects of country-level variables on the phenomenon under study. This research approach advocates the incorporation of country characteristics as explanatory variables in building comprehensive theories that have greater explanatory and predictive power than treating country context as a boundary condition.

As mentioned in Meyer's (2014) commentary, two of the distinctive attributes of Child's approach to research are his deep knowledge and treatment of the country context as a set of analytical variables. Complementing these is Child's careful deliberation in identifying the theoretical mechanisms that link these variables as explanatory factors to the phenomenon under study. The combination of these

three attributes makes his research both original and insightful, as is so well demonstrated in the current Child and Marinova (2014a) paper. If we wish to learn from John Child, the first thing is to be willing to invest our time and energy in gaining a deep understanding of the specific country context (and its salient dimensions) within which the phenomenon of study is embedded.

Theorizing across Disciplines

Although trained in sociology as a doctoral student, John Child also possesses deep disciplinary knowledge in economics and political science and often draws on insights from all three fields when analyzing complex issues. This is shown in many of his seminal works, including ‘Organizational Structure, Environment and Performance: The Role of Strategic Choice’ (Child, 1972), ‘Culture, Contingency, and Capitalism in the Cross-national Study of Organization’ (Child, 1981), ‘From Fiefs to Clans and Network Capitalism: Explaining China’s Emerging Economic Order’ (Boisot & Child, 1996), as well as the current Child and Marionva (2014a) paper on Chinese firms’ globalization included in this Forum.

A common theme across these papers is a deliberate and systematic integration of ideas from perspectives based in different disciplines and in the process creating new theoretical insights into the phenomenon under study. This cross-disciplinary approach to theorizing has enabled Child to produce many insightful and influential papers that are widely cited to the benefit of colleagues across diverse academic disciplines and areas of study, both within and outside the management field. If we wish to learn from John Child, the second thing is to acquire knowledge from more than one discipline and seek to conduct interdisciplinary research that draws on and combines ideas from multiple literatures to create new theoretical insights (Cantwell & Brannen, 2011; Cheng, Birkinshaw, Lessard, & Thomas, 2014).

Respecting the Phenomenon

As noted by Meyer (2014) in his commentary, Child’s pursuit of management research is not a quest for theory, but a mission to develop a deeper understanding of the broad social phenomena that he cares about and studies. This ‘phenomenon-motivated’ investigative approach is a major departure from the current predominant ‘existing theory-motivated’ research practice, which tends to focus more on advancing the validity and applicability of an established theory rather than expanding the knowledge about the phenomenon under study (Cheng, Guo, & Skousen, 2011). The ‘existing theory-motivated’ approach to management research has resulted in the field’s declining output in new knowledge creation over the last two decades, an observation shared by a number of senior scholars in the areas of Strategy (e.g., Barney, 2005; Hambrick, 2004), Organization Studies (e.g., Davis, 2010; Schoonhoven, Meyer, & Walsh, 2005), and International Management (e.g., Buckley, 2002; Shenkar, 2004).

To reverse this trend, we can learn from John Child's investigative approach, which starts with gaining first-hand knowledge about the phenomenon to be studied and then uses this knowledge to frame his investigation and develop the relevant research questions. This approach is evidenced in his research on strategic choice, which was based on first-hand experiences working as a system analyst at Rolls Royce Ltd, and also his research on joint ventures in China, which was informed by his field experience serving as Dean and Director of the China-European Community Management Centre in Beijing. Contrary to concerns expressed by some scholars that such phenomenon-motivated research tends to be descriptive in nature and not contributing to theory advancement, John Child's record has demonstrated just the opposite outcomes. His research has consistently produced new theoretical insights that have both scholarly and practical significance, as reflected in the many awards that he has received from prestigious academic and professional organizations.

Recognizing Cultural Contingencies

In their response to both Leung's (2014) and Redding's (2014) commentaries about the need to incorporate culture into the analysis of country context combinations, Child and Marinova (2014b: 406) argue that 'an understanding of cultural effects can only be gained if the prevailing institutional and political contexts are taken into account'. Because institutions and cultures share some common elements, cultural effects on foreign firms are likely to be low in situations where there is high institutional similarity between home and host countries. Even in situations where the two institutional contexts differ greatly, the effects of cultural differences will be less if the immediate operating environment for foreign firms is protected by inter-governmental agreements. In cases where the host country has weak or non-existent institutions, foreign firms might even be able to import their home cultures if they have obtained political and/or economic power through their social investment and employment-creation.

What one can learn from the above response and Child's approach to researching the country context is to recognize contingencies in cultural effects on organizations. Child made this important point in his (1981) paper when discussing the differential influence of cultural effects on macro vs. micro aspects of organizational behaviour. As noted earlier in the Introduction, while the Child (1981) paper has been widely cited in the management field, few published studies have adopted his recommended investigative approach. Going forward, management scholars would learn more from their country context research if they frame it as an inquiry into the contingencies of cultural effects instead of yet another study to confirm or refute the existence of cultural influence on organizations.

Rebalancing Research Criteria

There exists an ‘Impossible Trinity’ or trilemma in scientific inquiry that makes it necessary for investigators to accept trade-offs among three important criteria – generality, simplicity or parsimony, and accuracy – when conducting research. In the social sciences, researchers have traditionally placed higher priority on generality and simplicity over accuracy as guiding criteria for theory development and advancement (Starbuck, 2009; Weick, 1989). While this investigative approach might have helped social science research to be more appealing and understandable to the general public, it has the negative effect of producing overly general theories that ‘involve so many assumptions and such a mixture of accuracy and inaccuracy’ (Weick, 1989) that make it very difficult to assess their scientific validity and practical usefulness.

In his commentary, Murmann (2014) suggests that management scholars should place a higher priority on developing ‘context-specific’ over ‘context-free’ theories. His argument is that we gain a deeper understanding by learning from theories that are more accurate but less general than those that are more general but less accurate. In their response, Child and Marinova (2014b) suggest that we need both types of theories as they are not mutually exclusive. Their approach is to start the research with generality as a guiding criterion by developing an ‘analytical framework’ for broad applications and then switch to accuracy as a higher objective when applying the framework to study organizations in a particular context.

Note that in this exchange between Murmann (2014) and Child and Marinova (2014b), they both assume that simplicity is a paramount criterion in social science research that sits above generality and accuracy. But if management scholars are willing to trade off less simplicity for greater generality *and* higher accuracy, which seems to be the norm in the physical and natural sciences as well as in the science-based professional fields of medicine and engineering (Goodman & Blake, 2006; Rosenfield, 1992), that will help liberate the field and facilitate the development of generalized theories with higher accuracy and less simplicity (but more realistic) than those currently existing. This, in turn, will make management research both more scientifically rigorous and practically useful (Cheng & McKinley, 1983).

CONCLUSION

John Child is a most special and inspiring management scholar, whose approach to research challenges current practices and serves as an example of how to conduct innovative inquiry that leads to breakthrough knowledge for major advancement. He is also a gentleman with a warm heart who is generous with his time and ideas in helping others, particularly junior scholars, advance in their academic careers.

We are all very fortunate to have John as a colleague and guiding light in our learning and research in the management field.

In closing, I would like to take this opportunity to thank John for contributing his co-authored paper with Svetla Marinova to this Forum. I also want to thank Kwok Leung, Klaus Meyer, Peter Murmann, and Gordon Redding for their thoughtful commentaries, which help enrich and complement the ideas presented by Child and Marinova (2014a). Finally, I wish to express my appreciation to both current and former MOR editors-in-chief, Arie Lewin and Anne Tsui, for the opportunity to serve as guest editor of this Forum. We hope you will enjoy reading the forum papers and be inspired by the insights they provide.

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