

CHAPTER V.4

CULTURE AND MANAGEMENT IN PORTUGAL: FROM THE EMPIRE TO THE UNION¹

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Abstract. One of the effects of the globalization process has been the diffusion of international management mindsets. Although such diffusion may be contributing to an increasing homogeneity of managerial practice around the world, important differences still remain. This chapter analyzes management as a process in the making, i.e. as a dynamic interplay between local culture, history and conditions, and the diffusion/adoption of international managerial techniques. It analyzes management as a dialectical interplay between local factors and imported management knowledge, and helps to describe management practice in this country. The change process occurring in managerial practice in Portugal derives from the tension between a parochial mindset, inherited from almost five decades of dictatorship and its confrontation with a new international mindset. Some managers may be approaching this tension dialectically, through the enactment of a synthesis, which some informants interpret as potentially leading to a new “Latin managerial touch”.

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INTRODUCTION

One of the main features of contemporary social and organizational life is the process of globalization, which is the subject of heated debates regarding its pros and cons, the shape it is taking and the form it should take (e.g., Guillén, 2001; Osland, 2003). In parallel, in a somewhat paradoxical movement, there is an attempt to nurture and preserve national characteristics and to recognize cross-cultural differences (for a Portuguese-based discussion of this topic, see Rego and Cunha, 2007). In the case of management, the diffusion of an international model is accompanied by the discussion of the advantages and disadvantages associated with its adoption. In the case of Europe, some authors have explored the diversity of European management and how it fits with such an international model. Topics covered in the debate include diversity as a main feature of European management (Calori and De Woot, 1994; Goffee and Jones, 1995), the distinct professional identities of managers in different European countries (Watson and Bargiella-Chiappini, 1998), and so forth. Other authors have explored, instead, similarities inside cultural clusters: Engwall (1996) contrasted “Vikings versus the world”, and Calori and Dufour (1995) explored the major features of a common international European management model. The GLOBE project proposed several cultural clusters (Gupta, Hanges and Dorfman, 2002). One premise of the GLOBE project suggests that each cultural cluster constitutes a framework in which some organizational and management practices are more likely and more effective than others. Another assumption is that different prototypes of outstanding leadership are likely to exist in different clusters and give rise to different ways of becoming an effective leader (House *et al.*, 1999; Brodbeck *et al.*, 2000).

In a field as extensive as that of cross-cultural management and leadership, it is very difficult to extract a small number of features. However, for the purpose of the present chapter, we considered the following: (1) the world is a multicultural mosaic; (2) each piece of this mosaic is somewhat similar to the others, thus some management and leadership orientations may be equally effective around the world; (c) however, the idiosyncrasies of each piece require different management and leadership practices to be effective; (d) being part of the Latin European cluster, Portugal requires a Latin management approach but also a Portuguese “touch”. Understanding this particularity can be especially useful for expatriate managers operating in Portugal, as well as for flexpatriate managers (Mayerhofer *et al.*, 2004), to learn the “Portuguese way” and to avoid cultural mistakes. It may also be useful for international/global managers and for multinational companies

operating or planning to operate in Portugal, by helping and challenging them to ponder which policies should be polycentric, rather than ethnocentric, geocentric or regiocentric (Chakravarthy and Perlmutter, 1985). It can also be relevant for expatriate Portuguese managers, in order to avoid the “Portuguese way” abroad. Theoretical and empirical evidence shows that the management styles and practices used in one context can be counter-productive and ineffective in others (Mendenhall *et al.*, 2003). It also suggests the “need for less emphasis on grand tendencies and greater attention to how complex processes work themselves out in particular situations, often displaying elements of *both* convergence (in some respects) and divergence (in others)” (Quintanilla and Ferner, 2003, p. 364; italics in original).

In this chapter, we try to provide some clues about management and organization in Portugal proceeding from the macro to the micro level. We begin with an analysis of management in the Latin European cultural cluster in order to provide a general overview of common traits of managing in this region. Then we move on to the Portuguese case. We start by focusing on some of the economic and political features at play and follow with an analysis of Portuguese national culture, wrapping up with some of the implications of the Portuguese context for organizations and management practice.

In the second part, we present an ongoing research project on Portuguese management that has involved, to date, three samples of 71, 80, and 50 managers, respectively, with some managers participating in more than one sample. The project has resulted in published papers (Cunha, 2005; Cunha and Cunha, 2004) and work in progress (Cunha 2006). The project analyzes the ways Portuguese and non-Portuguese managers working in Portugal interpret the Portuguese management style. In this sense, the research deals with particularity and uniqueness of the Portuguese style. However, it also explores the possible similarities with other Latin European countries in order to develop a fine-grained understanding of some of the traits that are common among them. According to previous research (Jesuino, 2002), the Latin European cultural cluster shares a number of characteristics, including a strong Catholic heritage and a Mediterranean culture. Diverse studies have previously addressed management practices in particular European cultural clusters. For example, Czarniawska and Sevón’s (2003) volume was devoted to the study of the Nordic countries. Less is known, however, about management in Latin European countries.

This chapter offers an attempt to unravel management practices in Portugal. Commonalties with other Southern European nations will also

be explored. As observed by Aram and Walochik (1996), only a few studies have taken a polycentric approach to understanding culture-specific management attitudes and practices. This is a qualitative exploratory approach to management in Portugal. Given the scarce research on the Portuguese management case, our research aims to acquire country-specific knowledge. The second part of the chapter deals with the individual level of analysis: it is the personal representation of management in Portugal that we are trying to illuminate. Some macro theory, however, will be presented in the first part, in order to allow readers to gain a better understanding of the context. Macro and micro levels, of course, are not unarticulated: macro-structures are created, reinforced, sustained and changed by individual agents acting collectively (Ford, 1996), and individuals are conditioned by these macro-structures that they produce through collective action. In this project, however, we are not trying to uncover this dynamic: we are pursuing, instead, individual interpretations of the management process.

The chapter makes several contributions to management literature. First, it proposes an exploration of management as a historically situated process, in this case in contemporary Portuguese society. The way that individual managers experience change in their profession's culture is also discussed. Second, it analyzes how managerial interpretive schemas are affected by changes at the broader institutional level. Third, it examines the process of environmental change from a managerial point of view. Fourth, it adds to the scarce organizational literature on the Portuguese case. Fifth, it highlights the way agents may contribute, through action and sensemaking, to changing the profession's culture, stressing the role of conflict between situated managerial practice and decontextualized management technique.

MANAGEMENT IN LATIN EUROPE

Reconciling the global and the local

Contemporary managers are often confronted with contradictory advice: they are asked to manage with an international mindset and with world-class management techniques, while, at the same time, they are warned about the need to respect local cultures. This requirement is precipitated by the pressures for globalization, which require managers to innovate their ways of working in order to comply with the available international management models. In other words, they are urged to implement their strategies across borders and cultures (Siehl, 1998). International managers have been variously defined, but some characteristics tend to be consistently advanced:

they are those who are able to work across national, cultural, product, functional and business borders; they understand how to articulate local needs with an extended overview; they are able to deal with the cognitive and emotional complexity of their jobs; they are the ones who have developed “above culture” mentalities, i.e. they think about the world as borderless and take it as their zone of operation (Bartlett and Ghoshal, 1989; Dalton *et al.*, 2002; McCall and Hollenbeck, 2002). Percy Barnevik, ABB’s famous CEO, described international managers as having “exceptionally open minds. They respect how different countries do things, and they have the imagination to appreciate why they do them that way. But they are also incisive; they push the limits of the culture” (quoted in Taylor, 1991, p. 94).

Given the above characteristics, international managers embody universal best management practices, i.e. practices that can be transported from one location to another. In this chapter, we are interested in understanding how Portuguese managers are handling the tension between local culture and international best practices. With this in mind, and before moving to the discussion of management in Portugal, we approach the theme with an analysis of some possible common features of management practice in Latin European countries. This discussion will in turn facilitate the analysis of the Portuguese case.

The Latin European style of managing

Cross-cultural management research is uncovering the existence of both differences and similarities between countries. Every country has a unique culture, but research suggests that some countries share a number of features – hence the notion of cultural clusters (e.g., Gupta *et al.*, 2002). Despite cultural diversity, a dominant, international management mindset has been diffused worldwide. This model serves as the benchmark, the ideal profile against which managers are evaluated, regardless of the cultural roots of their countries. This comparison makes differences between international management standards and local variations particularly apparent. In this chapter we expose the particularities of management in Portugal. Evidence from the GLOBE project suggests that statistically the Latin European cluster is relatively homogeneous, which means that it may make sense to speak of some affinities in management practices in Latin European countries. This possibility is also consistent with Hofstede’s (1980) study. There may be minor variations between classifications, but the Latin European cluster is normally said to be composed of France, Italy, Portugal and Spain. Some variations, however, are sometimes identified. For example, the

GLOBE project includes in the Latin European cluster two other societies: French-speaking Switzerland and Israel (Jesuíno, 2002); Ronen and Shenkar (1985) include Belgium; Nikandrou, Apospori and Papalexandris (2003) include Greece and the other four countries in the Southern part of the European Union.

The description of management practice in the Latin European cluster is consistent throughout the literature. Gupta *et al.* (2002, p.14) view it as revolving around “weak practices of performance orientation, institutional collectivism, and humane orientation.” Faucheux *et al.* (1982) consider that Latin countries give more emphasis to the institutionalized centralization of decision making, bureaucratic protection, and state intervention, and less importance to internal organizational processes. In a similar way, Hickson and Pugh (1995) view “the Latin touch” as meaning that “in the Latin lands there is a comparatively personal approach to managing and organizing; personal authority counts and personal relationships matter. The personal touch makes organizations work, despite many-layered hierarchies and bureaucratized procedures, often by overriding or circumventing the rules” (p. 72). Latin European countries are also characterized by high power distance, which means that people tend to be very authority conscious, and score high on uncertainty avoidance. Uncertainty is reduced through a clearly defined hierarchy, and a high number of rules and routines which provide a secure sense of certainty, which is often a pseudo-certainty (Hickson and Pugh, 1995). Jesuíno (2002) adds that one of the most distinct and peculiar traits of the Latin European nations is the paternalistic role granted to the State, which is expected to regulate, to educate and to protect people. To articulate these characteristics in the Portuguese case, the next section is devoted to the analysis of management and culture in Portugal.

MANAGEMENT AND CULTURE IN PORTUGAL

A country in transition

By convention, the term transition has been reserved for former Communist nations adopting a capitalist economy. However, Portugal has also been in transition in the last three decades. The country lived through a significant part of the 20th century under a totalitarian regime, which inculcated an identity based on the pride of being isolated (*orgulhosamente só*, “proudly alone”) and on an image of imperial grandeur reminiscent of the maritime discoveries that once established Portugal as one of the world’s major powers. Then, in 1974, a bloodless revolution led the country into a democratic regime. However, as a kind of heritage of previous eras, the

involvement of the State in the country's economy, was not only kept high, but it increased through a large program of company nationalization immediately following the 1974 coup. It was only in 1989 that a large privatization program was started, which produced a dramatic reversal in the earlier statism (Baer and Leite, 2003).

In 1986 Portugal became a member of the European Union (EU). Thus, in only twelve years (i.e., 1974-1986), imperial isolation and an Atlantic orientation gave way to complete integration in Europe. In the last three decades, Portugal has forged a new identity. To understand managerial practice in Portugal, it is important to keep in mind that only thirty years ago the nation was positioned in a protected and closed market, with managers acting fundamentally on the basis of administrative models.

Considering the previous description, the effort for economic integration can be considered remarkable. The country has greatly benefited from joining the EU (Baer and Leite, 2003). According to Becker, Philipson and Soares (2003), Portuguese income grew 298.3% in this period, while other developed countries' average by the same indicator was 140.2%. Between 1975 and 2004, the human development index (HDI) progressed continuously from 0.787 to 0.904. In 2004, Portugal's HDI ranked 28th among 177 countries (UNDP, 2006).

Underpinning this evolution, several factors can be identified. The exposure to foreign competition stimulated the modernization of many of the traditional industries, forced the retreat of the state's direct involvement in many economic activities, and resulted in the creation of a number of new export-oriented sectors by foreign investments (Baer and Leite, 2003). Mainly during the 1990s, the country achieved "notable improvements" in the ranking of the globalization index (Andersen and Herbertsson, 2005), and this change seems to follow EU membership in the mid-1980s. With the help of EU funds, several infrastructural investments were made, which helped to improve the productivity of many sectors. Upon joining the EU, Portugal lost some degree of sovereignty over economic policies and was forced to follow a fiscal discipline that it violated in the 2000-2002 period. However, this did not prevent the greater confidence of foreign and domestic investors in the stability of the Portuguese economy (Baer and Leite, 2003).

This data suggests that the country's economy is on a consistent growth trajectory— a situation that had changed by the turn of the century, with the stagnation of the economy. Structural deficiencies persist. Among the most important one can include competition distorted by the informal

economy, deficiencies in the public sector and rigid labour markets (Carioca *et al.*, 2004). Despite large investments in education, Portugal today still lacks good basic education programs, and the greater part of its working-age population does not participate in or take advantage of advanced job training programs (Baer and Leite, 2003). In the 1990s, Portugal's human capital still lagged substantially behind that of most OECD countries. For example, in the late 1990s, only 56% of the population had finished secondary school, and only 7% had university training. The OECD average is 79% and 14%, respectively (OECD, 2000). Given that increased complexity of new technologies and new challenges of a progressively competitive economy require solid formal education and a system of continuing education, this situation is difficult for a "small country with a big ambition" (Boyle and Monteiro, 2005, p. 223). Significant progress has been made (Baer and Leite, 2003; OECD, 2005), namely regarding the number of years of schooling. However, Baer and Leite (2003) aptly point out that "a gain in quantity does not necessarily signify a gain in quality" (p. 746), as shown by the low score of the country on the OECD Pisa mathematics scale and the high drop-out rate of university students prior to graduation, which may indicate a qualitative deficiency in their previous studies.

All these factors adversely impact the levels of productivity of Portuguese workers, whose output is only 52% of the average of workers in each of Germany, France, Italy, the Netherlands and Belgium. As a result, after the booming 1980s, the economic growth lost momentum and gave way to a situation of crisis and stagnation. Concomitantly, a diffuse pessimism penetrated Portuguese society.

However, this pessimism seems not to be infrequent. Real (1998), argues that the nation has a poor image of itself, which contrasts with its strong positive image of Europe. Boyle and Monteiro (2005) point out the crisis of confidence, the discourse of decadence and the "self-flagellation" of the Portuguese population when their athletes perform badly in international sports competitions, as well as the euphoria they feel when their football players reach a high position among the best in Europe or in the world. Coelho (2001) stresses the Portuguese tendency to associate the prestige of the country with the football team's successful performance: "defeats represent a historical retreat to 19th-century decadence; victories signify a nation among the best in Europe" (Boyle and Monteiro, 2005, p. 238). They also point out that the imagination of the Portuguese nation is strongly defined by the past/future dichotomy, by the *saudosismo* (longing for the past), and by the recurrent return to the glorious past.

José Gil, a professor of Philosophy at the *Universidade Nova de Lisboa* and considered by the French publication *Le Nouvel Observateur* as one of the 25 most important thinkers in the world (Baños, 2005), interprets this *mal de vivre* as a result of a clash between a premodern, rural and closed society and a postmodern, urban and open society resulting from EU membership. In an interview, he calls the Portuguese “postmodern archaic” people (Gil, 2005, p. 10). His book on the nation’s “fear of existing” (Gil, 2004) became a remarkable editorial success, with seven editions sold out in six months. In some parts of Portuguese society, people seem more focused in the past, experiencing a kind of fatalistic existence. In other parts, proactive and entrepreneurial people are attempting to instill a (post)modern way of life, more focused on results and more performance oriented. The coexistence between these two styles of living is not always peaceful, and the cleavage sometimes creates a dual course in companies, in such a way that individual competitive efforts may be centrifugal or, at least, not strong enough to overcome accommodation to the status quo.

This *façon de vivre* is reinforced by another reason for the lack of competitiveness, one that is central to the present chapter: the quality of management – or its lack of quality. Studies on Portuguese managers and management tend to portray a very negative picture. A Cranfield University/Ad Capita survey with expatriate managers in Portugal (Bennett and Brewster, 2002), presented Portuguese managers as formal, individualistic and autocratic, obsessed with academic titles, lacking critical skills in such crucial areas as strategic planning and teamwork, and as being unable to manage time efficiently. It is important to note that the report concludes with a comment by a British expatriate that is consistent with the stereotype of the sunny Latin European way of life, where *joie de vivre* is presumed to prevail over hard work: “despite all the negative aspects – who cares – one lives in a country that offers a good climate, friendly people, and, most importantly, quality of life!” (Wolf, 2002, p.18).

Considering the previous descriptions, this study analyzes the reasons why such a negative image of Portuguese managers exists. To avoid a focus on critical stereotyping by foreigners, we considered both Portuguese and non-Portuguese managers in our study. Before presenting the method and the results, existing evidence on Portuguese culture and management will be advanced in order to contextualize the study and facilitate data interpretation.

The Portuguese bullfight

In his book on the metaphorical exploration of the national cultures of 28 countries, Gannon (2004) suggests that the Portuguese *tourada* (bullfight) is a good candidate for explaining the national culture. There is a major difference between the *tourada à portuguesa* and its Spanish equivalent. In the Portuguese version, the bull is teased and hurt but not killed, whereas the Spanish *torada* is a climatic journey that ends with the killing of the bull in the arena. In a 1997 interview, Geert Hofstede observed that “I realized immediately that the Portuguese differ from the other Latin countries and, contrarily to Spanish people, they do not kill the bulls [in the bullfights]. They tend to be more sympathetic and good negotiators, always looking for peaceful ways. Therefore, they solve many problems by negotiating, not by fighting” (Hofstede, 1997, p. 40).

The way Hofstede uses this metaphor helps to understand the affiliative, interpersonal, weakly assertive and non-confrontational features of Portuguese culture. Gannon derives a number of extrapolations regarding Portuguese tradition, class and lifestyle from his research. For example, the Portuguese are described as simple and honest people, spiritually connected with the land and living according to the Catholic tradition. Gannon goes on to explain that the Portuguese believe that people are all sinners in some way and, as a consequence, many people go to confession weekly. This wonderful description of honest people who go to confession on a weekly basis and drink homemade wine at supper paints, of course, a portrait of a non-existent place. This portrait shows how careful we should be with regard to cultural generalizations and suggests that descriptions of national cultures are often based on stereotypes. It also suggests that the views of Portugal as a poor, backward, southern European country, with plenty of sunshine, which is good for cheap beach holidays, can reflect “the dominant myths and discourses that part of northern Europe still harbor about their southern counterparts” (Boyle and Monteiro, 2005, p. 230, citing O’Donnell, 1994).

Such descriptions of a distant, rural Portugal are challenged by recent sociological studies. Barreto (2005), for example, describes changes in Portuguese society in the last four decades as “dramatic”. As he notes, Portugal is now a different society – democratic, urban, and integrated in the European Union – than it was 40 years ago.

National culture in light of Hofstede and the GLOBE studies

According to Hofstede (1980), Portugal can be described as a feminine, high power distance, high uncertainty avoidance, collectivist society (Table 1). It is, thus, antipodal culture to American culture, scoring high in characteristics in which the US scores low, and vice-versa. This is not only a curious observation, but also a pertinent issue, in the sense that a significant contributor to the definition of the international management model is the US. Few doubts exist about the prevalence of the Anglo-Saxon school of management teaching in Portuguese universities, owing not only to the nascent stage of management research in Portugal, but also to globalization and the Portuguese tendency to attribute a strong image to whatever comes from outside its borders as described above. This means that managers and organizations may be importing techniques from a culture that is radically different from the indigenous one.

For instance, if the US has a masculine, performance-oriented culture, Portugal has a feminine culture, which values nurturance, relationships and cooperation. In masculine cultures, beliefs that men should be dominant and women should be caregivers are common. In feminine cultures there is more gender egalitarianism. It is important to observe in this respect that women tend to occupy more managerial positions in Portuguese companies than in multinational organizations operating in Portugal (Cabral-Cardoso, 2003). Recent evidence by Jesuino (2002) highlights the fact that Portugal is the least male-oriented country in the Latin European cluster of the GLOBE project (see Table 1, “As is” rows). More specifically, Portugal scores low in assertiveness and has an index of gender egalitarianism above the mean. In short, both Hofstede and the GLOBE project consider Portugal as a feminine, relational, low assertiveness, non-confrontational culture. This is also consistent with the strong affiliative motivational feature identified by McClelland (1976) and confirmed by Rego (2004).

In both Hofstede’s model and the GLOBE project (Table 1, “As is” line), Portugal has a high power distance culture, which refers to the degree to which organizational members accept that power should be shared unequally. In Hofstede’s model, the country is collectivist, meaning that “people from birth onwards are integrated into strong, cohesive in-groups, which throughout people’s lifetimes continue to protect them in exchange for unquestioning loyalty” (Hofstede, 1991, p.51). GLOBE data corroborates this tendency, but only regarding family collectivism or the degree of pride, loyalty and interdependence in their families and close associates that individuals express, given that the country scores low in institutional collectivism

(the degree to which institutional practices at the societal level encourage and reward collective action, Jesuíno, 2002, p.87). This seems to imply that people are strongly bonded to their families and in-groups (e.g., organization), but less intensely committed to their wider collectives, such as the nation and other institutions. It might be that this helps to explain why the levels of generalized trust and trust in public authorities are so modest in Portugal (Rego, Sarrico and Moreira, 2005-6).

In Hofstede's study, Portugal ranks very high on uncertainty avoidance, meaning that Portuguese people are often nervous about what may happen, and do not feel comfortable with ambiguous situations. To counter uncertainty, organizations tend to develop a profusion of rules and regulations, aiming to increase orderliness, structure and clear specification of expectations. People tend to appreciate clear injunctions from their bosses about the way work should be performed as well. Data from the GLOBE project (Jesuíno, 2002), however, suggests that Portuguese people cope better with uncertainty than would be expected from Hofstede's results. In his study, the tendency toward orderliness and clear specifications is greater in French Switzerland and France than in Portugal, Spain or Italy. However, one cannot fully compare Hofstede's findings with those of the GLOBE project, because there are differences in operationalization (Koopman *et al.*, 1999). Furthermore, one may wonder if the middle managers who participated in the GLOBE study are the best informants about Portuguese society. In any case, the apparent change in this cultural trait was anticipated more than a decade ago by José Valente (1994), a professor at the University of Oporto. After arguing that uncertainty avoidance explained the Portuguese need for "providential men" (i.e., paternalistic and "savior" leaders), he stresses that sociological studies have found that the youngest people's values are in line with those which Ronald Inglehart terms post-materialistic.

Table 1
**PORTUGUESE SCORES ON THE HOFSTEDE AND GLOBE
 SOCIETAL CULTURE DIMENSIONS**

	Portuguese scores	Latin cluster scores (3)	Mean scores for all countries
<i>Hofstede (1)</i>			
Power distance (people's expectations about (in)equality of power distribution)	63	50.2	58.6
Individualism-collectivism (degree to which the society reinforces individual or collective achievement and interpersonal relationships)	27	55.8	43.6
Masculinity-femininity (degree to which the society reinforces, or does not reinforce, the traditional masculine work role model of male achievement, control, and power)	31	46.6	66.4
Uncertainty avoidance (relying on social norms and procedures to alleviate the unpredictability of future events)	104	86.4	45.2
<i>GLOBE (2)</i>			
Uncertainty avoidance (also in Hofstede)			
<i>As is (4)</i>	3.9	4.2	4.2
<i>Should be</i>	4.4	4.4	4.6
Future orientation (future-oriented behaviors such as planning, investing in the future, and delaying gratification)			
<i>As is</i>	3.7	3.7	3.9
<i>Should be</i>	5.4	5.3	5.5
Power distance (also in Hofstede)			
<i>As is</i>	5.4	5.2	5.2
<i>Should be</i>	2.4	2.6	2.7
Institutional collectivism (societal institutional practices encourage and reward collective distribution of resources and collective action)			
<i>As is</i>	3.9	4.0	4.3
<i>Should be</i>	5.3	4.8	4.7

	Portuguese scores	Latin cluster scores (3)	Mean scores for all countries
Humane orientation (encouragement and rewarding individuals for being fair, altruistic, generous, caring and kind to others)			
<i>As is</i>	3.9	3.7	4.1
<i>Should be</i>	5.3	5.6	5.4
Performance orientation (encouraging and rewarding performance improvement and excellence)			
<i>As is</i>	3.6	3.9	4.1
<i>Should be</i>	6.4	5.9	5.9
Family collectivism (how individuals express pride, loyalty, and cohesiveness in their organizations and families)			
<i>As is</i>	5.6	4.8	5.1
<i>Should be</i>	5.9	5.7	5.7
Gender egalitarianism (degree to which the society minimizes gender inequality)			
<i>As is</i>	3.7	3.4	3.4
<i>Should be</i>	5.1	4.8	4.5
Assertiveness (assertive, confrontational and aggressive behaviors in the interpersonal relationships)			
<i>As is</i>	3.7	4.0	4.1
<i>Should be</i>	3.6	3.7	3.8

(1) ITIM International (2007).

(2) Jesuino (2002).

(3) Latin cluster, according to Jesuino (2002) includes Portugal, Spain, Italy, French Switzerland, France and Israel. Because no Hofstede data exist for French Switzerland, this society was not considered in the mean computation.

(4) “As is” represents the practices observed in society (what happens). “Should be” represents the individuals’ own values/preferences (what should happen).

The more up-to-date portrait of Portuguese culture carried out by the GLOBE project is worthy of a deeper look, since it embraces variables not included in Hofstede's original model. Portugal rates modestly in humane orientation as well as in performance orientation, future orientation and assertiveness. This means that according to the points of view of the middle managers who participated in the study, Portuguese society (a) is not emphatic in encouraging and rewarding individuals for being fair, caring and kind to others, (b) neither encourages nor rewards people for performance improvement and excellence, (c) individuals engage modestly in future-oriented behaviors such as planning, investing in the future and delaying gratification and (d) are not assertive, confrontational and aggressive in social relationships. This portrait depicts a country where (a) performance and excellence are not valued enough and merit is not rewarded, (b) planning is poor, (c) assertiveness, confrontation and direct and frank communication are rare (see also Rego, 2002).

Koopman and Heller (1999) argue that low scores on future orientation and performance orientation, as well as high scores on power distance of certain countries may partly reflect the present experience with the transition from a command economy to a free market economy, and the concomitant difficulties in coping with the immediate and difficult day-to-day demands of transition. Although these authors were referring to the countries of Central and Eastern Europe, one might speculate that the transition in Portugal creates a similar context.

The score on humane orientation is somewhat surprising, since some studies show that Portugal denotes a strong affiliation motivation feature (the conceptualization of affiliation motive is similar to humane orientation; Nikandrou *et al.*, 2003). In any case, it is worth mentioning that Portugal seems to be more humane oriented than the Latin cluster as a whole.

The GLOBE project also provides added value to Hofstede's model because participants in the study were asked to report not just the practices they observed in society ("As is"), but their own values/preferences ("Should be"). Table 1 ("Should be" rows) suggests that the Portuguese middle managers who participated in the GLOBE study are not satisfied with most of the Portuguese culture features (Nikandrou *et al.*, 2003). They prefer higher societal emphasis on future orientation, institutional collectivism, humane orientation and gender egalitarianism, and lower power distance. Several interrelated explanations can be advanced. It is possible that managers assimilated some values of the Anglo-Saxon culture and management school, either from universities or the business press. This can also be a reflection

of the Portuguese tendency to welcome foreign models with enthusiasm. It is possible that this dissatisfaction – reflecting new values - creates a dynamic that, in the medium or long run, may result in changes in practice. The speed of this process will depend on the degree to which the same values are shared by Portuguese society as a whole. As more and more people study at universities before entering the work force and the globalization of ideas and models occurs, we can speculate that this change might be relatively speedy.

Some implications of national culture for organizations and management

The previous description is the big picture and, obviously, does not disclose all there is to know about Portuguese organizations. In a country in transition, surrounded by internal and external stimuli of different and contrasting orientations, one can observe different companies and sectors with different rhythms, processes and cultures. Therefore, it is difficult to gain a clear and stable picture of how organizations function and are managed. The following image is, then, a small sketch prone to the probable changes that competition, globalization and cultural dynamics will produce.

Clive Bennett (2006), on the Executive Planet website wrote about Portugal: “[t]he biggest problem is the huge difficulty [that employees have] to challenge the authority and the status quo in an appropriate way”. This is consistent with a context in which low assertiveness and high power distance render employee participation and empowerment difficult, confrontation is avoided, assertiveness can be confounded with aggressiveness, employees tend to please their supervisors, and disagreement with them is considered at least impolite. This is a context wherein many people expect that *the boss commands* and *the subordinate obeys*. Mathews *et al.* (2001), having found that in Portugal quality management system implementation is most often initiated by management and that promoting those implementations is infrequently empowering, argue that such a process is “possibly the only way to start anything in a culture with high power distance. Things just would not happen without clear process ownership” (p. 700).

The feminine character of Portuguese culture and the importance ascribed to interpersonal relationships have several consequences for organizations. For example, research suggests that Portuguese employees respond positively in terms of organizational citizenship behaviours and organizational commitment when managers act in a socially sensitive manner, but naturally accept that they say nothing and do not provide to

them adequate explanations for decisions (Rego *et al.*, 2004; Rego and Cunha, 2006). They are also more reactive to the way leaders behave towards them than to fair procedures in decision making and resource allocation. Therefore, it is likely that, contrary to what happens in other countries, people value more a paternalistic and affiliative relationship with their supervisors than fair procedures that grant transparency, clear rules of the game and opportunities for voicing opinions. Contrary to what happens, for example, in the US, where the more effective leaders show low affiliation motivation matched with high power motivation, many Portuguese employees value more a leader with a “person enclave” motivational pattern: high in power and in affiliation motivation (McClelland, 1976). According to McClelland, perhaps managers with this motivational pattern are more successful in countries where high values are placed on affiliation, as is the case in Portugal. Some evidence collected in Portugal supports this hypothesis (Rego, 1998), although differences can be found, for example, between family businesses and subsidiaries of multinational companies.

Another feature of Portuguese culture, related to collectivism and the importance ascribed to interpersonal relationships and with implications for organization and management, is *cunha* – meaning “wedge” – “a system of recommendation, intercession and influence so ingrained in every class of society and walk of life that anything from finding a job to having a gas pipe mended can depend more on who you know than on your capabilities, rights or qualifications” (Wise, 1997, p. 2). The English word closest in meaning is graft, but the Portuguese concept covers a wider and more positive use of influence. Frequently, *cunha* is more attached to family and friendship ties than to the sometimes unethical uses to which they are put. *Cunha* is a kind of Chinese *Guanxi* (relationships between people), and this similarity also helps to support what Portuguese philosopher José Gil (2004), citing a French diplomat, claims: the Portuguese may be thought of as the Chinese of the West.

These features can interfere with the recruitment process. Bjorkman and Lu (1999) suggest that in collectivist cultures, external recruitment sources are less frequent, because it is difficult for externally recruited candidates to get into strong social networks and cope with the resistance following their entrance in companies. Lee (1999) shows a positive relationship between in-group collectivism and word-of-mouth. Budwhar and Khatri (2001) suggest that collectivistic and high power distance cultures tend to place higher importance on ascribed status and social-political connections such as recruitment criteria, than on other criteria such as knowledge, skills and abilities. Those suggestions are consistent with the

rigidity of the Portuguese labour market and with the *cunha* mechanisms mentioned above.

The findings of Papalexandris and Panayotopoulou (2004) are not completely clear about these tendencies, but they raise some points of great interest. By combining data from CRANET and GLOBE studies, they relate societal culture with human resource management practices in 19 countries, including Portugal. For example, they find that assertiveness is positively related to training in customer service. Considering that Portugal scored low in assertiveness, it can be expected that the country does not pay much attention to aspects such as customer service. This is consistent with what Bennett and Brewster (2002) report – that expatriate managers consider Portuguese managers to be only loosely dedicated to excellent customer service (2.5 points of 5). Papalexandris and Panayotopoulou (2004) also find that power distance is positively related, and uncertainty avoidance negatively so, to the use of formal career plans. Furthermore, a negative correlation was found between in-group collectivism and the use of performance appraisal for determination of individual training needs and work organization. This is in line with Aycan (2003), who suggests that collectivistic cultures downplay individual differences when it comes to the purpose of performance appraisal. Papalexandris and Panayotopoulou (2004) also find a negative correlation between power distance and the use of self-appraisal and appraisal by subordinates. This is in accordance with previous studies suggesting that upward feedback and multi-source feedback can be difficult to implement effectively in high power distance cultures and, as was the case of Black & Decker when the company moved its eastern hemisphere headquarters from Maryland to Singapore (a high power distance culture), and faced difficulties implementing a 360-degree performance appraisal process (Mendenhall *et al.*, 2003).

The most significant correlations in Papalexandris and Panayotopoulou's (2004) study are found between cultural dimensions and internal communications, and are helpful for understanding what may happen in the collectivist and high power distance Portuguese culture. Higher power distance decreases the probability that managers use verbal, written or electronic methods to communicate with employees, decreases the probability that employees communicate directly with senior managers or through team briefings, and also diminishes the opportunities for employees to be informed about financial or strategic issues. In-group collectivism also emerges as negatively related to all methods of upward and downward communication. According to Papalexandris and Panayotopoulou (2004), it is possible that “the existence of the strong bond that links members of the same

subgroups in these cultures compensates for poor communication use as well as the need to communicate financial and strategic matters to employees, since their loyalty, trust and commitment to the company is already high” (Papalexandris and Panayotopoulou, 2004, p. 506).

Management culture

To understand the management profession in Portugal, it is necessary to take into account the fact that until 1974 companies competed in a protected market, under a totalitarian regime (in effect since 1926), and in a situation of political isolation due to international criticism of the colonial dominions in Africa. This context created a tradition of administrative orientation, which resulted in an interventionist state with a heavy bureaucratic apparatus and a lack of customer orientation. The importance of the bureaucratic phenomenon is not exclusive to Portugal, but something common to other Latin European nations, as observed by Jesuíno (2002) and before him by authors such as Crozier (1962) and d’Iribarne (1997). The *status quo* persisted and was reinforced by the lack of well-qualified managers, a phenomenon observed by several authors (e.g. Jesuíno, Pereira and Reto, 1993; Bennett and Brewster, 2002). This was challenged only after the opening of the economy, with the arrival of international competition, multinational companies and privatization in important business sectors, such as finance.

The arrival of new sorts of organizations represented a watershed for entire industries. In a study of the Portuguese financial sector in the mid 1990s, newly founded private banks were viewed by their competitors as more prospective, innovative and customer-oriented (Cunha, 1998). This competition drove great change in the banking sector, in such a way that a study carried out in 2006 by Lafferty, a British company, with a sample of 75 banks, showed that the branches of the Portuguese banks were the best in Europe (Lima, 2006), occupying the first, third and fourth positions in the ranking.

Of course, this landscape is not common to other sectors (Bennett and Brewster, 2002). But the adoption of a philosophy of market orientation is, for historical reasons, a new phenomenon. Recently, management practices have started to converge with the rest of the EU in many respects: the consistent decrease of union influence, the adoption of management fashions, the growing number of cross-border mergers and acquisitions, and the replacement of an administrative approach to management by a strategic orientation. A new generation of increasingly educated management professionals seems to be taking charge (Cabral-Cardoso, 2004).

In their study of human resource management practices in Spain, Carter *et al.* (2006) remark that Spain cannot be considered creative or innovative in the area of management. The same can be applied to their Portuguese neighbour. Given the lack of creative local management solutions, the increasing networking brought on by entry into the European Union, and the process of globalization, the need to operate in an international context has led to the importation of so-called best practices. However, as can be seen from the data below, the adoption of foreign practices can be synthesized with local flavours in order to make them make sense for those using them. As such, rather than amorously adopting best practices, some Portuguese managers are apparently trying to combine them with the local context. This will be discussed below, after the presentation of the methods used to extract this and other conclusions.

THE RESEARCH PROJECT: AN OVERVIEW

Data were collected through unstructured individual interviews with managers based in Portugal. Instructions for data collection were kept on an open format due to the inductive nature of the study: the goal was to collect free descriptions, instead of comments on previous studies. To serve as an informant, a manager had to meet two conditions: (1) have managerial experience in Portugal and (2) have managerial experience outside Portugal. As such, all Portuguese subjects experienced some kind of exposure to international cultures, for example in the form of assignments abroad, working for non-Portuguese firms, dealing with foreign clients on a regular basis and so forth; and all foreign managers worked in Portugal. It is possible that these foreign informants would assess Portuguese management on the basis of their own culture, which might give a rather skewed picture. However, the dispersion of the nationalities of these managers should lessen any clear cultural bias. This issue, however, should be considered to be methodologically relevant.

Typical conversations lasted between 30 and 90 minutes. Forty-seven interviewees were Portuguese and 39 were foreigners working in Portugal. This latter group included individuals from Angola (2), Austria (2), Belgium (1), Brazil (4), France (8), Germany (4), Italy (3), Jamaica (1), The Netherlands (3), Russia (1), Spain (3), Sweden (2), Switzerland (1), the United Kingdom (2), and the USA (2). Data collection extended between 1999 and 2005. Participants ranged in age from 27 to 66 years, with an average age of 43.2. The sample was diversified in terms of organizational positions, ranging from CEOs to middle managers, technicians and consultants in a

wide range of industries, including the financial, biotech, distribution, professional services and telecommunications sectors.

Interviews were tape recorded and transcribed. Interview data were then submitted to an iterative semiotic cluster analysis in an early phase of the project. Written data were transformed initially into direct categories. Over time, patterns became apparent, and direct categories were arranged in thematic associations that, in turn, led to deeper categories or core concepts. The project thus started without a formal hypothesis about Portuguese management, and theory was generated inductively. Over time, it became apparent that new empirical material did not challenge the stability of the interpretive model. This was taken as an indication that the theory developed to accommodate the data was adequate and saturated (Lincoln and Guba, 1985). The data collection process was then concluded.

RESULTS

Direct categorical meanings emerged from the fragmented and detailed information contained in the written transcripts. Some first-hand evidence on the direct meanings can be found in Cunha (2005) and will not be repeated here. Thematic associations were made, which lead to a parsimonious reorganization of the data. In the first study of the research project, these associations were those presented in Table 2.

Table 2
THEMATIC ASSOCIATIONS EMERGING FROM DATA

Parochialism	- An isolated view of the world
Administrative-bureaucratic orientation	- Rules and regulations orientation
Paternalism	- Passivity and obedience in exchange for “superior” protection
Lack of management skills	- Immediatism, unstructured action
International solutions	- Brought about by the arrival of multinational corporations
Benchmarking	- Exposure to external business cases
Management thinking	- Increase in the sophistication of management thought
International focus	- Emergence of a young generation of managers with an international perspective
“Glocal” style	- Making good use of the traditional Latin style management skills
New managerial agency	- A new role for the individual manager

The ten connotative meanings were then aggregated in three core concepts: thesis (a parochial mindset), antithesis (an international mindset) and synthesis (a renewed “Latin touch”, to use Hickson and Pugh’s [1995] designation). These deep concepts seem to adequately cover the qualitative materials obtained from the informants. In this chapter we integrate the findings from the subsequent studies in this general matrix. The aggregation proceeded according to the following logic:

- The first deep-structure concept (thesis) presents a historically dependent cluster that defines managerial practice as the result of a historical, path-dependent process, still heavily influenced by the pre-1974 heritage. This first cluster groups those themes that have a clear reference to the pre-1974 sociopolitical heritage. It combines issues that refer to a closed society, to a management deficit, to a paternalistic, bureaucratic view of the business world.
- The second deep-structure concept (antithesis), aggregates views on a “global” perspective, imported with the post-1974 economic and cultural openness. It refers to the consequences of the opening of the economy and is marked by the promises of modernization associated with the internationalization process and the inception of a liberal approach.
- The third deep-structure concept (synthesis) provides a blend of the previous approaches, combining the need to cultivate cultural identity while learning best management practices. In this case, respondents rescue some of the features of the traditional Portuguese style and give them fresh meaning in the framework of a new economic landscape, where these characteristics may arguably be valuable if used appropriately.

The clustering provides a more parsimonious reading of the characteristics of Portuguese management and, as noticed following the data analysis, is consistent with previous literature, namely with Gupta and Govindarajan’s (2002) distinction between parochial and global mindsets. These final integrative categories are elaborated below. They are considered adequate because they reflect three major interpretive patterns advanced by respondents: a pre-1974 effect created a closed society, corresponding to the thesis pattern; the move to an open economy led to a search for international benchmarks, corresponding to the antithesis pattern; the need to depart from the parochial approach without acritically adopting a foreign approach characterizes a third pattern, which may be viewed as a synthesis of the previous two. This tension between a thesis and its antithesis may act as a change motor. Hence, a dialectical approach emerged as a possibility for interpretation.

The thesis

The three broad underlying categories that emerged from the data analysis can be interpreted as corresponding to a dialectical process in the making. The first block of the dialectical process is a thesis. Based on Adler's definition (1997), the factor was called parochialism, considering that it reflects an isolated view of the world and the lack of knowledge and appreciation for other cultures. This is possibly the result of 50 years of living under a totalitarian regime. The regime, due to international pressure, promoted a policy of isolation, politically and economically speaking. As a result, not only active managers and workers, but the general populace, as well, was expected to be obedient and to respect the rules. They received, in exchange, life-long employment in an economically buffered environment. The combination of parochialism, bureaucracy, paternalism and the lack of some critical management skills can thus be understood as a mindset nurtured in the context of a closed economy, but inadequate for an open society.

Another salient feature of the traditional managerial mindset is one that appears in most interviews as *desenrasque*, which can be described as the art of problem-solving in difficult circumstances, particularly under time pressure and in the absence of structure. It is a sort of improvisation from which the minimal structure (Kamoche and Cunha, 2001) has been eliminated. This apparently corroborates Latin European managers' preference for unstructured action. Aram and Walochik (1996) make note of the preference of Spanish managers for improvisational action, which leads to the informality, flexibility, spontaneity and low reliance on systems characterizing the "typical" Latin European organization. Like Aram and Walochik's respondents, our Portuguese managers were also well aware of the negative potential of "free" improvisational action. As one informant said, "We are very, very flexible. More than others. The question is that too much flexibility leads to turmoil".

There is also a relationship between flexibility and the concept of time. Hickson and Pugh (1995) dub Latin European managers immediatist, "leaving arrangements to the last minute and changing long-agreed plans" (p.74). To better grasp this understanding of timing rules, Hall's (1981) distinction between monochronic and polychronic cultures may be useful. The former are clock-obsessed while the latter are less rigorous with punctuality and deadlines. As Gesteland (1999) observes, in polychronic cultures, such as the Portuguese, according to the informants, loose scheduling is valued, and meetings-within-meetings may be taking place, simultaneously

fulfilling multiple agendas. In line with the local/global tension, and as uncovered in another study within the project (Cunha and Cunha, 2004), the traditional polychronic approach is now being challenged due to its negative connotations: lack of efficiency, dubious professionalism, etc. Managers are thus more aware of the possible need to develop a more objective approach to time.

Another relevant characteristic of Portuguese management is the importance of personal contact. As one foreign informant revealed, “In Germany or the UK, contact with customers occurs through formal channels, like e-mail or call centers. In Portugal personal direct contact is favoured.” This preference for developing relationships was also remarked on by other informants: “In Portugal, relationships evolve over time. Germans are formal in the beginning and remain formal all the time. With the Portuguese, the relationship changes over time and becomes more informal as people get to know each other.” Sources of informality and personalized management other than cultural preference possibly derive from the restrictions on human resource management imposed by a strict legislation and from the lack of structured management systems, which are substituted by, and simultaneously reinforce, paternalism and informality. This lack of systems inevitably creates feelings of injustice and envy, because decisions, to some extent, may be viewed as discretionary. The similarity between these descriptions and those of Spanish managers in Aram and Walochik’s (1996) research is certainly more than a mere coincidence.

The antithesis

The April 1974 *coup d'état* precipitated societal change, including managerial change. Contact with multinational companies, including consulting companies, combined with a growing availability of management education, and the arrival of a dynamic business press, contributed to the entry of the management rhetoric into Portuguese firms. Mimetic pressures, oblivious to national borders (Mueller, 1994), led to the adoption of the international repertoire of management fads and fashions (Abrahamson, 1996). An antithesis was found, to counter the previous mindset. European Union membership also contributed to making highly visible the inadequacies of the previous, parochial mindset. Through importation and experience in international companies, an open mindset started to be adopted. As noted by Barnevik (1991), “global managers are made, not born” (in Taylor, 1991, p.95), or as put by one Portuguese respondent, “Younger managers show a new management culture, which results from globalization

of the international management values as well as from a more adequate university education.”

The benefits resulting from the adoption of best practices are clearly communicated in rankings such as “the best companies to work for”. The Portuguese 2005 list was mainly occupied by multinationals, with the Top 10 featuring Microsoft, BP, Mapfre, Bristol Myers Squibb, Procter and Gamble, Real Seguros, Diageo, General Electric, Johnson & Johnson, and Somague. Organizational features of “good places to work for” have been analyzed by management academics (Lopes and Cunha, 2005). Multinationals occupy prominent positions in the ranking of socially responsible companies: in the 2002 guide of “socially responsible enterprises”, the top ten featured Auchan, BP, DHL, HP, HUF, IBM, Siemens, and Xerox (Abreu, David and Crowther, 2005).

The need to improve strategic management, particularly strategic planning, was also addressed in the antithesis. Multinational consulting companies, under the auspices of notable management gurus, produced reports on the Portuguese competitive condition. The Monitor Company report (Monitor Company, 1994), co-coordinated by Michael Porter, and the more recent 2003 McKinsey report on Portugal’s competitiveness (Carioca *et al.*, 2004), are examples of guides to strategic governance. Management schools and business associations diagnosed entrepreneurial behaviour and produced manifestos for a new competition, sometimes in association with established international networks (e.g. AEP, 2001; Global Entrepreneurship Monitor, 2001). The new management period is sometimes announced as a result of young Portuguese managers being increasingly exposed to international management practices. As noted by one informant, “[t]he remains of the parochial mindset will be removed by the transfer of national managers to other countries. As they return, they bring with them a potential for change.”

The synthesis

The result of this dialectical tension, as interpreted by many informants, may be the inception of a new managerial mindset, which can be labeled as the “renewed Latin touch.” This incorporates the best of Latin European culture, such as the capacity to be flexible and adaptive, the cultural characteristic particularly noted by foreign informants, and the relational skills that are of utmost importance in a global business environment. As one informant noted “our capacity to improvise is clearly superior to that found in other countries.” In summary, managers in Portugal were experiencing

a contradiction: their habitual mode of action was being threatened by a new approach that denied the validity of improvisation as good management practice. Not only were people used to it; they found it valuable at times. They simply refused to accept that their habitual mode of action was inferior and, indeed, sometimes they even viewed it as superior: several respondents, both Portuguese and non-Portuguese, gave examples of how improvisation helped them deal with difficult problems in creative ways. As such, improvisation may not be a problem in itself, but rather it may be inadequate under certain circumstances.

To integrate – to effect a synthesis between the national way of doing things and the international mindset – the following prescription may be helpful: (1) previous characteristics (flexibility, cultural sensitivity, relational skills) should be combined with more rigorous time management (“we are too tolerant with missing deadlines and milestones”) in order to avoid the inefficiencies of a rather fluid concept of time; (2) make an effort to plan; (3) have a critical understanding of improvisation, which is often viewed as attractive by proud managers experienced at working in a rather improvised mode (“artistic”, as one informant ironically remarked); and (4) substitute a bureaucratic orientation for a market orientation. This prospective evolution through synthesis does not preclude the permanence of managers closer to either the parochial or the international mindset, perhaps with the predominance of the former, as suggested by Bennett and Brewster’s (2002) results – a possibility to be tested in the future. The potential virtuosity of the synthesis between organic and mechanistic approaches to management has been suggested, for example, by Brown and Eisenhardt (1997), who uncover the power of apparently paradoxical approaches to management and organization in their analysis of semi-structures: organizational forms that combine flexibility and rigidity. Whether or not this new management style will become widespread is something that only time will tell.

CONCLUSION

Countries that are less sophisticated in terms of management expertise seem to have a tendency to import advanced techniques (Wood and Caldas, 2002). However, the adoption process may be accompanied by an effort toward adaptation: as remarked by d’Iribarne (2002): international tools tend to meet local adaptations. In this sense, rather than replacing the parochial mindset by its antithesis (the international management model), some Portuguese managers may be trying to achieve a synthesis between

the local and the global. They may be trying to make good use of national culture, while limiting its parochial, dysfunctional aspects. This struggle between situated local habits and global, technically “pure” management techniques may prove difficult, however, to the socially disembedded view of managerial approaches. As Ballas and Tsoukas (2004) have suggested, a façade of organizational modernity may be adopted, while pre-modern organizational habits are actually preserved.

The evolution of the standards of adoption of global managerial tools will be interesting to track. It is clear, in line with previous research on Latin European countries (Aram and Walochik, 1996), that if management in a Northern European or American perspective is associated with rationality, planning and systems, from the Latin European view it is closer to such concepts as informality, flexibility and spontaneity. It would be unwise to ignore the fact that some desired features of the international manager, such as the ability to adapt to new situations, sensitivity to different cultures, and relational skills (see Pugh and Hickson, 1995, p. 292), seem to be stronger in Latin European managers. The flip side of these advantages becomes clear in such symptoms such as lack of planning, difficulty with time management, and immediatism. In the same vein, struggles to reform pre-modern bureaucracies such as those existing in Greece or Portugal, may be a hard process. In the case of Portugal, the vigorous discourse on state reform never resulted in tangible consequences, with public administration being an opaque territory where political, particular and corporatist interests create a well-established and difficult to challenge *status quo*.

According to several participants, local companies use management techniques that are less sophisticated than those used by multinational companies operating in the country. This is in line with the observation of Carter *et al.* (2003) that “when modernity, for local political reasons, is better developed elsewhere, then it is from this elsewhere that ideas will be imported” (p. 20). This importation seems to be taking place in Portugal. The results offered here suggest, however, that more than a simple acquisition, the adoption process may be better seen as a synthesis between world class best practices and local needs. Particularly eager to effect a synthesis between the local culture and the international representation of good management, according to the informants, there seems to be a young generation of professionals whose profile is apparently diverging from the traditional mode. A generation gap has been observed in other societies that have undergone significant socio-economic change (e.g. Naumov and Puffer, 2000).

Results of this study may be of practical value. For example, the study suggests that Latin European managers may be well positioned to respond to challenges facing contemporary organizations, namely the need for expressing emotions in the workplace, which may be a positive factor in a business world that has discovered the value of emotional intelligence, and for “blending traditional masculine and feminine approaches to handle organizational uncertainties” (Nichols, 1994, p. 58). In fact, the feminine Portuguese culture, and the exposure to masculine management techniques, may combine to produce a virtuous synthesis. However, and in line with previous research (Jesuino, 2002), the continuing orientation toward the humane component of organizing should be more balanced with a higher level of structure. This appears as an important challenge considering that countries that view themselves as more structured are also the more prosperous, competitive and productive. This need to increase structure will probably be facilitated by an emphasis on an orientation toward the future, encouraging behaviours such as planning and the delay of gratification (House *et al.*, 1999). Portugal scores low in this orientation, which may help to explain the difficulties in efficient time management and the preference for the extreme flexibility involved in the practice of improvisation. As noted above, this marked preference for improvisation over planning has been reported to apply to the case of Spanish and French managers as well (Aram and Walochik, 1996). From the above, managers may consider the following implications of this work: the relational approach may be used to leverage performance improvement; flexibility should be complemented with clear minimal structures (goals, responsibilities, deadlines); clear rules may facilitate departure from traditional and paternalistic leadership; a more rigorous approach to time management may improve effectiveness, and a planned approach may avoid the need for the dysfunctional side of *desenrasque*.

To conclude, despite the perceived need to become more competitive, a new cohort of managers in Portugal seems to be trying to effect a synthesis between the profile of the “good manager” as internationally accepted, and the local managerial culture. As such, the changing professional identity of Portuguese managers may be part of a broader process of redefinition of Portugal’s national identity (Miranda, 2002), in transition from a closed to an open society. This process involves the exchange of the local and the foreign more than the direct appropriation of best practices. This article has contributed to the polycentric research approach as outlined by Adler (1982) and, through this, to the understanding of management as situated practice, bounded by the circulation of influences between national history and the international diffusion of management ideas.

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