Power and MNEs, Modern Slavery in IB, Culture, Leadership and Entrepreneurship

Should Your IB Research Deal with Power?
John Child
p3

Tackling Modern Slavery, the Ugliest Phenomenon of Our Times: An Invitation to the IB Scholarly Community
Snejina Michailova
Christina Stringer
p7

GLOBE Leadership Dimensions: Implications for Cross-Country Entrepreneurship Research
Saurav Pathak
Etayankara Muralidharan
p11

The Intersection of National Cultural Values and Organizational Cultures of Silence and Voice, and the Moderating Effect of Leadership
Rob Bogosian
p16

CALL FOR PAPERS—SPECIAL ISSUE
Studying Modern Slavery: It Is Time for IB Scholarship to Contribute
Guest Editors: Snejina Michailova and Christina Stringer
p21
The Intersection of National Cultural Values and Organizational Cultures of Silence and Voice, and the Moderating Effect of Leadership

Rob Bogosian, RVB Associates, Inc. and Florida Atlantic University, USA

Much has been written separately about organizational cultures of voice and silence and national cultural value orientations, but these two subjects have not been explored together. This article discusses the relationship between two organizational cultural phenomena—cultures of voice and cultures of silence—and two national cultural dimensions—power distance and individualism/collectivism (Hofstede et al., 2010)—and how leader practices can influence these relationships. The relationship between national culture and organizational cultures of voice and silence and the moderating influence of leader practices is shown in Figure 1.

The article has three objectives:
1. Introduce the dynamics of organizational cultures of silence and voice.
2. Explore the relationship between the two national culture dimensions (power distance and individualism/collectivism) and two organizational culture phenomena (cultures of silence and cultures of voice).
3. Explore the moderating effect of leadership practices on the relationship between the two national culture dimensions and cultures of silence and voice in organizations.

Cultures of Voice and Silence

Organizational voice and silence are organizational cultural phenomena that impact the flow of valuable information up, down and across company silos for the purposes of problem identification, problem solving, decision making, and idea generation. Multinational corporations can enhance these processes when an organizational culture of voice exists, and cultures of silence are reduced or eliminated.

A culture of silence is characterized as the willful withholding of important work-related information. It is viewed as a choice of the organizational members’ decision to remain silent (rather than to speak up) in the context of an organizational prob-
For example, in 2015 it was discovered that Volkswagen Corporation altered emission test results in order to sell more diesel cars in the United States than its competitors. When the scandal was revealed, investigators learned that the altered test results were known to staff members who kept quiet for fear of reprisal. In another case, a Wells Fargo sales strategy forced employees to establish phantom bank accounts in order to meet sales targets. When US employees tried to question managers about the unethical practice, they were told to “get with the program” and meet their targets. Employees remained silent thereafter to stay safe in that environment. Another instance is the scandal that rocked the BBC when sexual assault victims revealed their stories after years of silence. One employee who had first reported a sexual harassment incident to BBC management was told to “keep her mouth shut because the [perpetrator] guy is a VIP” (NewsEurope, 2017). These organizations, collectively, paid $1.4 billion dollars in fines, which illustrates the reputational risks and financial consequences associated with cultures of silence in organizations.

Conversely, a culture of voice is characterized as the willful disclosure of important work-related information. Cultures of voice exist when organizational members feel psychologically safe (Kahn, 1990) to voice their views, opinions, and ideas without fear of reprisal. For example, at Microsoft, service managers routinely exchange ideas and divergent opinions in an effort to reach the best possible product and service solutions. Ideas are rapidly exchanged between members at different organizational levels without hesitation. At Google, employees are encouraged to share knowledge and information in an effort to learn as much as possible from each other. An interview with one Google executive revealed that the organization is familiar with approximately 85% of Google searches seen every day. However, Google employees obsess about the remaining 15% of searches, which is where they spend their time. Google is an organization that is constantly learning and growing, which cannot happen without knowledge sharing.

**The Causes of Organizational Silence and Voice**

Morrison and Millken’s (2000) theory of organizational silence proposes three levels of management variables that contribute to a culture of silence: implicit managerial beliefs, managers’ fear of negative feedback, and managerial practices. First, implicit managerial beliefs are defined as the underlying beliefs that managers hold about their world and, more specifically, employees. For example, managers may believe that if you give people an inch, they will take a mile. Another underlying belief is that managers know what is best for the organization. The belief that organizational conformity and cohesion is a sign of strength and that conflict and disagreement should be avoided and “managed,” or eliminated, are common beliefs among managers. Second, managers’ fear of negative feedback can cause them to reject feedback whether it is about them personally or about an initiative or idea that they endorse or advocate. Third, research shows that managerial practices influence organizational members’ decisions to speak up or remain silent (Detert & Trevino, 2010).

Cultures of voice exist when employees are encouraged to share important work-related information. When employees experience knowledge sharing as a valued contribution, they are likely to speak up. Two cultural characteristics encourage voice behaviors: a positive organizational environment for divergent thinking and positive inquiry. When employees offer divergent ideas without negative repercussions, they are inclined to continue the behavior. When employees see that their ideas are met with curiosity more than judgment, they are inclined to continue speaking up.

**Types of Organizational Cultures of Silence and Voice**

According to Bogosian and Casper (2014), there are four types of cultures of silence: defensive silence, offensive silence, social silence, and futility. Defensive silence is rooted in fear and is used as a way to stay safe in a (perceived) unsafe work environment. Offensive silence occurs when employees provide ideas or solutions and do not receive credit. When this occurs, employees experience a general sense of organizational injustice. They can achieve interactional (interpersonal treatment) justice by withholding future ideas. Employees can also remain silent about important work related issues that could cause harm to a friend at work. This is known as social silence, and it is rooted in affiliation motives. Lastly, when employees’ ideas, suggestions, and improvement efforts fall of deaf ears, they can conclude that it is futile to expend any further effort. This phenomenon leads to a sense of futility rooted in cynicism. Employees in this case simply give up. This silence type is known as futility.

The two types of cultures of voice are acquiescent voice and assertive voice. Acquiescent voice occurs when employees speak up in an effort to show collaboration and group agreement. Divergent thinking is suppressed in an effort to get along with other group members. Assertive voice occurs when employees are willing and encouraged to speak up even when their thoughts, views and opinions are in conflict with those of others in the group.

Organizational cultures of silence and voice as well as national cultures are socially constructed. Hofstede’s research shows that national cultural values can influence organizational cultural practices. This article focuses the how two national cultural dimensions—power distance and individualism/collectivism—influence organizational culture.
The Relationship between National Cultural Values and Organizational Cultures of Voice and Silence

Hofstede’s (2010) research shows that power distance as well as individualism and collectivism can influence organizational cultures. Organizations operating in large power distance societies are likely to centralize decision making as well as minimize employee engagement and involvement. Employees are told what to do, which discourages voice behaviors, leading to a culture of silence. Organizations operating in small power distance societies are likely to maximize employee engagement and involvement, which encourages voice behaviors leading to a culture of voice. Table 1 shows differences between small and large power distance characteristics in organizations.

Hofstede (2010) defines the cultural dimension related to self and others as individualism and collectivism. According to Hofstede (2010), in individualistic societies, the individual voice is more important than the group voice. In collectivistic societies, the group ideas and viewpoints prevail over individual ideas and viewpoints.

Organizations operating in collectivistic societies such as Guatemala, Ecuador, and Panama, for example, favor the group over the individual and are likely to have an acquiescent culture of voice in organizational settings because individual thought is not encouraged unless the group extends permission.

Organizations operating in individualistic societies such as Australia, Great Britain, and the United States, emphasize the individual more than the collective and organizational members are more likely to openly express their views, opinions, and ideas, which can shape an assertive culture of voice.

Table 2 illustrates some common workplace differences between individualistic and collectivistic societies.

The Moderating Effect of Leadership Practices

Although national cultural values influence organizational cultures of voice and silence, leader practices can have a moderating effect on this relationship. For example, a leader can demonstrate a range of behaviors from participative to direc-

### Table 1: Large and Small Power Distance Characteristics in Organizations

<table>
<thead>
<tr>
<th>Small Power Distance</th>
<th>Large Power Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees expect to be consulted</td>
<td>Employees expect to be told what to do</td>
</tr>
<tr>
<td>Flatter organizations</td>
<td>Many layers between the top and bottom of the organization</td>
</tr>
<tr>
<td>Decentralization is popular</td>
<td>Centralization is popular</td>
</tr>
<tr>
<td>Status symbols are frowned upon</td>
<td>Status symbols are accepted and popular</td>
</tr>
<tr>
<td>Narrow salary range between the top and the bottom or organization hierarchy</td>
<td>Wide salary range between the top and bottom of the organizational hierarchy</td>
</tr>
</tbody>
</table>

Source: Hofstede (2010)

### Table 2: Collectivistic and Individualistic Workplace Differences

<table>
<thead>
<tr>
<th>Collectivism</th>
<th>Individualism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of the word “I” is avoided.</td>
<td>Use of the word “I” is encouraged.</td>
</tr>
<tr>
<td>Only speak up when sanctioned by the group.</td>
<td>Individuals are expected to speak up.</td>
</tr>
<tr>
<td>Employees are in-group members and expected to pursue the group's interest.</td>
<td>Employees are expected to pursue the company's interests if they coincide with self-interests.</td>
</tr>
<tr>
<td>Important decisions tend to be made by group</td>
<td>Important decisions tend to be made by individuals</td>
</tr>
<tr>
<td>Direct appraisal of an employee can disrupt harmony.</td>
<td>Managers are trained and expected to provide honest and direct performance feedback.</td>
</tr>
</tbody>
</table>

Source: Hofstede (2010)
Participative and Directive Leadership Styles in Large and Small Power Distance Societies

In large power distance countries such as Malaysia, Guatemala, and Panama, subordinates are more dependent on their managers for decision making. Status symbols differentiating between top management teams (TMT) and employee cultures are pronounced and encouraged. A participative leader operating in a large power distance society may surprise employees at first, but they could eventually feel safe speaking up, assuming they are able and willing to contribute openly, which could lead to a culture of voice. Directive leaders use command, and control decision making practices and centralize decision making. Directive leader practices demonstrated in a large power distance society are more acceptable than participative leader practices. Employees in large power distance societies tend to conclude that those at the top are not interested in their views or opinions, which results in (or sustains) a culture of silence.

Companies operating in small power distance societies such as Austria, Israel, and Denmark tend to encourage and value participative leadership practices where employees are often consulted on organizational issues. The participative leader draws out and encourages divergent views and opinions, which encourages (and strengthens) voice behaviors. As a result, employees are likely to perceive that their voice has merit and speak up more frequently resulting in a culture of voice. However, a directive leader operating in a small power distance society will most likely tell employees what to do and how to do it (i.e. the opposite of a participative style), it could be perceived as threatening and therefore lead to a defensive culture of silence.

Participative and Directive Leadership Styles in Individualistic and Collectivistic Societies

Participative leaders operating in an individualistic society tend to encourage idea generation and give proper credit to employees, which is consistent with acceptable leadership practices and thus results in (and strengthens) organizational cultures of voice. Directive leaders operating in individualistic societies, however, could cause a negative perception among employees who expect to have a voice. Individualistic societies encourage individual ideas, and voice behaviors. If the directive leader...
does not yield to acceptable individualistic societal norms, then employees could perceive directive leadership practices as egregious, causing them to withdraw, and thus leading to a culture of silence.

Participative leadership practices in a collectivistic society will encourage individual voice behaviors despite the fact that individual voice is not the norm. These practices could be viewed as counter-cultural at first and cause withdrawal. However, if such participative leader practices become the norm they could eventually encourage more individual-level participation among employees, leading to a culture of voice. Directive leaders operating in a collectivistic society are likely to be perceived by employees as acceptable. Collectivistic societies value the group rather than the individual. Therefore, the directive leader is more of a fit in a collectivistic society than the participative leader and so may establish and strengthen a culture of (acquiescent) voice.

Implications for IB Research and Practice

More empirical research is needed to test the relationship between national cultural dimensions, cultures of voice and silence, and the moderating influence of leadership practices when consistent and inconsistent with national cultural norms where the organization operates. Possible research strategies could be field studies, employee observations, and ethnographies in organizational settings that compare and contrast specific national cultural values and the relationship to cultures of voice and silence. This would allow researchers to gain a deeper and richer account of the relationship between national cultural values on organizational cultures of voice and silence, and to examine the moderating influence of participative and directive leadership practices on this relationship. For example, based on a phenomenological study, researchers could examine the lived experiences of employees working in an organization operating in a specific society where particular cultural values (e.g., large or small power distance) is expected to influence the relationship between cultural values and cultures of voice and silence. Researchers could then determine how employees actually experience participative and directive leaders at work and how leader practices actually influence their silence and voice behaviors across different national cultures.

Leaders of MNCs operating in multicultural environments must have extensive knowledge about the national cultural value orientations of local employees in all countries in which they operate subsidiaries. They must also understand how their leadership practices influence cultures of voice and silence and develop the ability to encourage voice. They must be able to recognize the signs of silence and voice in daily interactions and understand specifically which leader practices encourage voice and which ones elicit silence. Recognizing the signs of silence is only a first step. Leaders must then be able to flexibly shift their behavior to encourage voice when they realize that they have elicited silence. Human resource practitioners must establish a common language and mindset around cultures of voice and silence at all organizational levels starting with the C-Suite. Senior leaders should hold all organizational leaders and employees accountable for demonstrating practices that encourage voice behaviors resulting in a culture of voice, and for reducing or eliminating practices that elicit silence that can result in a cultures of silence. When organizations establish a common language around voice and silence behaviors, and leaders consistently demonstrate practices that encourage voice, only then can a culture of voice become an organizational norm.

References


Rob Bogosian (rob@rvbassociates.com) is a principal at RVB Associates, Inc. and an Adjunct Professor in the Executive Program at Florida Atlantic University. He holds a doctorate in human and organizational learning from George Washington University. He co-authored the book Breaking Corporate Silence, and published in Rutgers University Business Journal. He has been featured in Business Insider, CNN Money, Fortune Magazine, CEO Magazine, San Francisco Chronicle, Bloomberg Radio, and Entrepreneur Magazine.
Introduction

In 2016, an estimated 40.3 million people worldwide were living in a form of modern slavery, of whom 16 million were victims of forced labor in the private economy (ILO, Walk Free Foundation, & IOM, 2017). Modern slavery includes forced labor, bonded labor, human trafficking, and other forms of exploitation (Lake, MacAlister, Berman, Gitshaw & Page, 2016). It exists not just in commodity-based labor-intensive industries but also in high-tech sectors, generating an estimated US$150 billion in illegal profits annually (ILO, 2016). Modern slavery is found not only in underdeveloped economies, but also in developed countries. In the UK alone, it is estimated that 10,000-13,000 people are victims of modern slavery at any point of time (Lake et al., 2016). In the US it is estimated that there are in the vicinity of 57,500 people currently enslaved (Walk Free Foundation, 2016). While modern slavery is growing at an unprecedented rate (Bales, 2012; 2016), International Business (IB) research has so far been silent on the subject (Michailova & Stringer, 2018b). This is not only puzzling; it is worrying, and disturbing. Hence, this call for papers!

Modern slavery often operates across borders (Michailova & Stringer, 2018b; Stringer, Whittaker & Simmons, 2016). First, globalizing forces increase the number of migrant workers as well as the opportunities to exploit them and others. Second, modern slavery is a by-product of our global production system (Gold, Trautrim & Trodd, 2015). It is often a part of the activities of the multinational corporation (MNC). Slavery is widespread, although often concealed, in the MNCs’ supply chains which link multiple layers of supplier-firms with global buying firms and retailers. The fragmented nature of these internationally connected supply chains often obscures slavery practices and leads to them not just existing, but growing and thriving (Greer & Purvis, 2016).

The neglect (so far) of modern slavery by/in the IB discipline opens opportunities for studies that are both interesting from a researchers’ and educators’ viewpoint, and powerful in terms of changing existing policies and practices. We suggest a few avenues and indicative research questions that we find promising—they not only provide a fruitful opportunity for IB scholars to start and engage in interesting scholarly conversations, but also educate IB students as the next generation of business people, as well as shape and influence policy debates that really matter.

IB Research

What does modern slavery look like as an IB? And in turn what does the IB of modern slavery look like? What are its key features and who are the key actors involved? What practices do these actors adopt and what skills do they possess that allow slavery to flourish across borders?

Has the structural design of the MNC become so complex that it ‘naturally’ creates opportunities to breed slavery? Or, rather is it the fluidity and fragmentation of the multiple institutional contexts in which the MNC operates that allows slavery to come into existence and to flourish?

Can MNCs protect themselves against modern slavery? If so, how? If not, why not? How are new transparency requirements shaping not only codes of conduct, but also the actual activities and behaviors of MNCs in regard to modern slavery?

IB Teaching

In 2017, the University of Nottingham introduced an online course on modern slavery, attracting 10,400 enrolments from 150 countries. These numbers speak for themselves.

How can we increase students’ awareness and knowledge on issues related to modern slavery in our IB courses? What modules can we include in our undergraduate IB courses as well as in more specialized postgraduate courses on MNCs? What opportunities do we have at the PhD and post-doc level to tackle the issue of modern slavery?
What can we, as IB scholars, do to educate the public about this crime against humanity? How can we help bring about a change in society through our teaching?

**Impact of IB Research on Policy Debates**

Modern slavery has a corrosive effect throughout society on respect for the rule of law and the rights of individuals. Efforts to address forced labor abuses amounting to slavery are compromised by a lack of public prioritization of the issue in many countries.

To what extent can governments influence MNCs to combat modern slavery in their supply chains? How can governments hold MNCs to account? How can MNCs help governments reduce modern slavery?

Is globalization leading to a disconnect between transnational and national institutions? If so, what does such a disconnect mean for MNCs with slavery in their supply chains?

How do government policies in the host county of an MNC affect the level of vulnerability of low-skilled and/or migrant workers at risk of forced labor, in other countries?

**Submission Process and Timeline**

Colleagues interested in submitting their work to this Special Issue should consult the AIB Insights Editorial Policy and use the Online Manuscript Submission System, which you can access via the AIB Insights website at https://aib.msu.edu/publications/insights. Please select “Special Issue: Modern Slavery in IB” under ‘Track’ when submitting your manuscript.

**Timeline:** Please submit your work on or before November 1, 2018. Expected publication of this Special Issue in 2019.

**References**


