

Organization, Management and Crime—
Organisation, Management und Kriminalität

RESEARCH

Markus Pohlmann
Friederike Elias *Editors*

Global Economic Elites and the New Spirit of Capitalism

Careers and Collective Mindsets of
Economic Elites Compared



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Organization, Management and Crime—Organisation, Management und Kriminalität

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Preface

Global interdependence and neoliberal governmentality continue to shape the way we live and work today, even if the terms “globalization” and “neoliberalism” no longer appear as centrally in social debates as they did ten years ago. In the course of the Corona years, the extent and significance of economic interdependencies became obvious, and in the wake of the high prevalence of home-office and agile management concepts, core components of neoliberal corporate management such as the centralization of employees’ ability to self-organize also gain additional relevance. Against this background, the study presented here can be read as a basis for current developments.

The collection of the data itself took several years. This becomes understandable through the history of the project. First, the feasibility of the empirical study was tested within the framework of the Germany study. The project “Economic Elites in Germany”, funded by the German Research Foundation from 2007–2009, dealt with a historically significant generational change in top management in the German economy. According to scientific estimates, around 750,000 companies were affected by this generational change in the first decade of the new century; in many large companies the process has now been completed. A generation of managers that had given the German economy its essential contours over decades left the control centers and handed over power to a younger generation socialized under different auspices. The focus of the research was on the action orientations and life experiences of outstanding leaders who have shaped economic development in Germany. The aim of the project was to trace the historical interpretations, their orientations and situational analyses and finally to determine the differences between the generations of leaders. This approach, interested in generational differences, also shaped the subsequent studies of other countries. In the European comparison, we were particularly interested in Switzerland, as we

expected a high degree of internationalization due to the diversity of languages as well as the country's history and diverse economic relations.

Within the framework of the Cluster of Excellence "Asia and Europe in a Global Context", the sub-project "Transculture of Capitalism" in 2012–2017 expanded the investigation to South Korea and Japan and thus provided the opportunity to address the question of the extent to which the dynamics of a trans-cultural spread of ideas and practices lead to the emergence of a new capitalist spirit. India, China and Hong-Kong completed the Asian sample by examining with China to which extent a socialist dictatorship can show signs of a capitalist spirit and Hong-Kong as an Asian financial center with a banking sample enabled the maximum contrast.

From 2013–2015 funding from the German Academic Exchange Service made possible to conduct the interviews in Argentina and Brazil. The aim of these studies was both to trace first-hand the corporate and economic development in South America and to grasp more precisely the role of institutional setting, business system and historical-cultural background in the imposition of neoliberal management, as well as to gain fundamental insights into the social origins and action orientation of Latin American industrial managers in a generational comparison.

The "International Management Study" kept us busy for a long time and was a period of intensive cooperation and discussion involving many people who do not appear as authors in this book. These were numerous students who helped with the transcription and data collection, our international cooperation partners who supported us in organizing the interview on site, and many colleagues inside and outside Heidelberg University who were helpful with advice, action and criticism. Our special thanks go to them. We would like to take this opportunity to thank Prof. Dr. Hyun Chin Lim (Seoul National University, Korea), Prof. Dr. Myongg-Koo Kang (Seoul National University, Korea); Prof. Dr. Yonghee Lee (Public University Seoul; Korea); Prof. Dr. Xiuyin Shi, (CASS, China) Prof. Dr. Lulu Li (Beijing University, China); Prof. Dr. Paulo Roberto Neves Costa (University of Paraná, Brazil), Prof. Dr. Pralon Mancuso Wagner; University of São Paulo, Brazil), Dr. Matthias Kleinhempel IAE Business School, Argentina), Prof. Dr. Sebastián Pereyra (National University of San Martín, Argentina); Prof. Dr. Gary Herrigel, University of Chicago, USA), Prof. Dr. Reinhard Bachmann (SOAS University of London, England), Prof. Dr. Frank Welz, Universität Innsbruck, Austria), Prof. Dr. Madeleine Herren, Europe-Institute, University of Basel, Switzerland, Prof. Dr. Mike Geppert (Friedrich-Schiller-University Jena, Germany). Jiawei Mao was responsible for the linguistic correction of the contributions.

We would like to thank our interview partners for the time they found for us during their busy working days and for their openness during the interviews. Without them, the project would not have been conceivable. Last but not least, our gratitude goes to the various funding agencies that made the research trips of the working group possible within the framework of project funding. These are the German Research Foundation (DFG), the Federal Ministry of Education and Research (BMBF), the German Academic Exchange Service (DAAD) and the University of Heidelberg.

We are very grateful for the exciting years of field research. We are aware that the numerous research trips and experiences gained in the process are a privilege. The state of the world's climate must lead to a fundamental rethink and thus also calls into question the numerous long-distance flights we have made as part of our cooperation projects. Again, the experience with Corona has shown us here that many international connections can also be maintained via video conferencing. This not only changes our world, but also that of the business leaders who were the focus of our analyses. Thus, complementary research questions emerge, e.g.: How is the increasing digitalization and digital presence of employees changing the way managers lead their companies, their employees and their lives? Although this more than a decade of research on economic elites, conducted by a wonderful team, has come to an end, new research questions are being addressed, and efforts to answer them will hopefully be based in part on the research presented here.

Markus Pohlmann
Friederike Elias

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Common framework



Introduction: Economic Neoliberalism—A New Spirit of Capitalism?

Markus Pohlmann and Friederike Elias

1 Introduction

The search for the spirit of capitalism is as old as modern rational capitalism itself. In the mid/late nineteenth century, the search was started anew in Germany. With David Hume, Adam Smith, Montaigne and Durkheim there had already been precursors, but Troelsch, Sombart and Weber then advanced the German preoccupation with the spirit of capitalism. These attempts were made more than a century ago, but the topicality of the concern has not diminished. The searchlights are still focused on which ideas, value attitudes and concepts drive the development of capitalism. The topic of business ethics is also an evergreen. The old-fashioned talk about the “spirit,” reminiscent of Hegel, has taken up residence in a niche in which the study of Weber’s research program in particular is currently eking out an existence. Foreign big business is more interested in discourses and institutions that drive the modern economy and its digitalization. Or, from the perspective of social philosophy, critical of capitalism, in ideologies that conserve or even promote social inequality. In this context, neoliberality became a narrative that encompasses everything and anything, a passe-partout of politics and philosophy critical of capitalism. Sociology has been emphatically infected by it, albeit only slowly, with the advent of the new myth of digital capitalism, the wave of infection is subsiding somewhat. A good time for us to look back and

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ask whether there is a scientifically resilient core to this political-philosophical *passé-partout* of neoliberalism. And this is precisely the aim of the following remarks.

If one wants to do this, one must first identify a core of propositions, which leads to the need to take up one aspect of the narrative and attempt to make scientifically testable hypotheses within it. This may already be disappointing to some readers because the philosophically unspecified breadth of the discourse must be abandoned. Here, however, it is not primarily a matter of giving expression to a critical worldview, a critical attitude of life. The empirical foundation is in the foreground here. Our approach is based on an empirical question: have the supporting strata of capitalism developed neoliberal value attitudes in recent decades? And if so, can this be explained by a change in the institutional contexts of economic activity? We thus focus on a key element in the causal structure of the neoliberal narrative.

An important part of the narrative follows the thrust that neoliberal ideologies, which originate in the economy, infiltrate politics and lead to the spread of market fundamentalist ideas and policies. They give priority to the market and profit at the price of worsening social inequality. This causal and logical core of the narrative thus begins with the neoliberal spirit in the economy, which unfolds its effect in politics. But what if it cannot be found there at all? This is what we want to focus on. Does this neoliberal spirit really exist in the global economy? Because if this is not the case, at least the stated cause for the presumed effect does not apply.

2 The Approach

But even such a question is still a bit too big for a scientific investigation. We therefore focus on a highly relevant supporting layer of the capitalist spirit, specifically: the economic elites in 11 leading industrialized nations. Do we find neoliberal ideologies or even a neoliberal spirit of capitalism there?

We disregard the economic policy side of interest politics, because this is too disparate depending on the policy field and policy issue. Instead, we focus on the economic elites because they are regarded as the “spearhead” of the economy and thus as the “carrier strata” of the neoliberal spirit par excellence. At the same time, they are seen as the central transmission belt for values into politics and society.

In this way, we orient ourselves to a heuristic developed by Max Weber and use this as a framework for our search, without this being understood in such a

way that what inductively falls outside the framework is not considered by us. On the contrary, we are also oriented towards discovering new forms of explanation and empirical findings that call for a different framing. Along this heuristic we work with the following distinctions:

1. We work with the distinction between capitalist forms and the capitalist spirit, which is disseminated by supporting strata. The connection between the two is to be determined empirically and is considered by us to be historically variable. It is not assumed a priori that there is a determination relation between the two, but precisely that is considered an empirical question.
2. We also distinguish the capitalist spirit from ethics and see in it a generalization of basic principles and values of economic activity. The question whether the once established modern rational capitalism needs a specific religiously founded ethics, we answer with Max Weber in the negative. Whether it needs an ethical orientation *at all* seems unlikely from the perspective of organizational sociology. Rather, organizational sociology shows that organizations need morally opportunistic orientations of action, which do not provide principles with high validity, but pursue a *zeitgeistically* changing adaptation to the currently valid institutional order and morality, as far as they have to do so due to the social pressure to adapt. This is especially true for capitalist companies. In our view, any form of integrity—understood as ethically justified adherence to moral principles—is a stumbling block for what is usually morally opportune economic activity.
3. Analogous to the analytical framework of Weber's research program, we examine the capitalist spirit in relation to three levels: as principles of economic activity, principles of organization, and principles of lifestyle.

However, we have to complement his empirical approach, since in our opinion the content analysis of literature is not sufficient to investigate value attitudes in the practice of economics. All deductive derivations, which still seemed unproblematic to Max Weber, are forbidden here. Rather, this connection between the “objective” and the “subjective mind” is also an empirical question. That is why we considered it central to conduct interviews with the economic elites as supporting strata. For the analysis of these interviews we applied a sociological perspective, the analysis of collective mindsets. We looked for neoliberal interpretive patterns in the analysis of interviews with economic elites. This requires two further specifications:

1. In determining what can be considered neoliberal patterns of interpretation, we have been guided by Schmidt-Wellenburg's discourse analysis. It is based on the analysis of management literature and academic management reviews and, following the Foucaultian approach, elaborates central discourse elements of neoliberal discourse at the corporate level. It generates the heuristic foil on the basis of which we evaluated our empirics. Did the inductively generated patterns of interpretation correspond to the neoliberal discourse elements, that is, did the discourse of practice in the corporate world correspond to the theoretical discourse in the world of practice-based literature?

In the principles of corporate governance, we focused on the financial market orientation of companies; in the principles of organization, we focused on output- and market-oriented employee management; and in the principles of life conduct, we focused on the output- and market-oriented assessment of one's own lifestyle. Thus, the dependent variable was captured with sufficient precision for us.

2. In determining who is included in our analysis as economic elites, we take a positional approach. This means that we do not start from a substantive concept of elites, which identifies with elite persons with superior characteristics, but rather from purely formal elite positions in society. In this case, we are interested in the patterns of interpretation of the CEOs of the 100 largest industrial companies in a country. The focus is not on individuals with elite characteristics, but on interchangeable personnel in elite positions. In these positions, personnel have privileged opportunities to determine the production and distribution of important social resources, and at the same time these positions—and the personnel in them—experience social recognition in them.
3. With regard to the independent variables, we were guided by the strong assumptions of the globalization discourse. The aim was to test them. Three explanatory factors in particular are held globally responsible for the genesis of neoliberal value attitudes: (a) Global elites are recruited on international markets and, as nomad job-hoppers, spread international market principles globally. They no longer feel committed to national, local or regional value principles, which is why state or community ties are eroding. Thus, treating the firm as capital in financial markets and seeing its capitalization and return on investment as the central benchmark—rather than preservation and expansion in a national setting—poses no problems. Job hoppers also do not care when, where, or how the targeted output and market success is achieved, only that it is achieved is important. Market success is also crucial for their own self-optimization. (b) Education also plays a role here. Not only the triumph of

economics as an educational prerequisite plays a role in the spread of neoliberal value attitudes, but also “brainwashing” in business schools in particular. The assumption is that neoliberal values are formed here, which then become established in business practice. (c) In addition, there is the spread of financial market capitalism, which has neoliberally transformed the institutional orders of the economy. Anyone who wants to do business in this context must do so neoliberally or perish.

This sets the heuristic framework for our investigation, in which the results of the investigation were classified or from which, if inductively necessary, deviations were marked.

3 The Generalized Results

The studies presented in this book thus aimed to test fundamental assumptions of the globalization discourse. In doing so, they aim to empirically test the strong globalization thesis of the emergence of a global managerial elite, also referred to as the transnational class, world class, or ruling class. Numerous publications assume that a caste of global job hoppers has emerged who, thanks to their high international mobility and universally applicable knowledge, are not only in a position to take over the leadership of the world’s most important companies, but also to adapt their functioning to their own needs. In the long term, this would lead to an alignment of the different economic systems into a globally operating capitalism of neoliberal design. This assumption, which is also called the “strong convergence thesis” in this book, will also be subjected to empirical testing.

In order to examine the root for the worldwide spread of neoliberal management, the country’s studies focus on the origins, qualifications and career paths of the leading industrial executives in the respective countries. According to the assumptions of the globalization literature, educational and professional careers are said to be increasingly international and detached from individual companies; more and more economists educated at business schools would take over the management of the most important business enterprises; engineers would be pushed out of the top positions. In the background of this stands the idea that the world’s leading business schools are central disseminators of the neoliberal economic mindset. As a foundation to check these dissemination channels, our research group therefore surveyed the life histories of leading managers in 2010 and 2015 in a first empirical step and examined them for the aforementioned changes. In

a second step, we use interview analyses to examine the extent to which the adoption of neoliberal ideas can be detected in the executives' orientations.

To conduct this review, we derived hypotheses based on the relevant literature that served as operationalizations of neoliberal ideas for the interview analysis at the different levels of analysis:

At the corporate governance level:

1. Financial market orientation: Top managers establish their actions towards the value of the company and are interested in short-term profits.
2. Capitalism is visibly taking a network form; organizational forms are becoming increasingly project-based.
3. Corporate governance activity is extended beyond the company.

At the level of organizational concepts:

4. Internal corporate relationships are increasingly being organized along market lines, e.g. through cost center approaches.
5. Self-management: In work organization, there is a shift toward concepts based on employees' personal responsibility and ability to organize themselves.

At the employee management level:

6. Relationships within the company are increasingly organized along market lines, e.g., via concepts such as target agreements. As a result, performance-based remuneration systems are gaining ground.
7. Employee leadership is understood as team leadership, in which the executive assumes the role of coach and visionary leader who encourages employees to perform and supports them in doing so.

At the level of lifestyle:

8. Self-optimization: employees as well as executives are expected to be proactive, flexible and adaptable and to improve their skills in terms of their usefulness on the labor market (employability).
9. Working hours are becoming increasingly flexible, and overall, there is a reduction in the separation between life and work.

Before we summarize the results of the individual studies below, we would like to add a few brief preliminary remarks. The study on Germany represented the starting and orientation point for the international management study. The interviews in Germany were already conducted in 2007–2009 as part of the project “Economic Elites in Germany” funded by the German Research Foundation. The interviews in other country’s studies were based on the approach of the German pilot study and date from 2011–2013. However, since the results were mostly presented only in excerpts in English and mostly as monographs on individual countries in German, we still consider it useful to present a comparative study in English in order to be able to make this unique material accessible to a broad audience. The countries were selected on the basis of the broadest possible distribution, taking advantage of the regional focus on Asia and Latin America at the University of Heidelberg and the opportunities offered by financial support. An expansion of our studies to include classic liberal countries such as the USA or Great Britain would have been desirable, but simply not feasible at the time of the study. Nevertheless, we believe that this regional focus has provided an unusual and interesting composition that allows an empirical examination of globalization and convergence assumptions from a new perspective.

The studies were penned by different researchers and also show minor differences in individual survey steps due to local peculiarities. Nevertheless, it has been possible to standardize the basic structure and the methods used in each country studies in such a way that a meaningful comparison is possible.

Switzerland has a very diverse corporate structure, as very different companies were included in the analysis as part of the Top 100 companies sample. The lower ranks include companies that would be counted as medium-sized enterprises in Germany, for example. Overall, this characteristic leads to a comparatively small size of the companies included and makes comparison with other leading economic nations difficult.

China must be considered separately due to its strong self-reference as a communist country in a capitalist world order, despite its strong integration into the global economy. Since international companies cannot operate independently, only Chinese companies were included in the analysis.

The case of Hong Kong played a prominent role in our overall sample, as a sample of bank managers was studied for this important international financial center. The inclusion of this extreme case offered the opportunity to examine the spread of neoliberal thinking, with its centrality of financial market logic and numbers-driven capitalism, virtually at its point of origin: the financial sector. Overall, however, the analysis shows that Hong Kong, in which only the top

50 bank executives were drawn into the analysis, is not as divergent as we had suspected.

The choice of the masculine form in the presentation of the results corresponds to the actual sample structure of both the life course analyses and the interviews. The number of women in top management is still very low, and the analysis of the interviews with female executives shows that they only differ in nuances from their male colleagues in terms of the views they articulate. This includes, above all, a stronger self-optimization at the level of life conduct. But here, too, working life has absolute priority which in many cases is made possible by the comprehensive delegation of family work.

4 Internationalization of Management

Overall, the country studies reveal very different degrees of internationalization in the top positions of industrial companies. In most countries, increases were observed in both educational mobility and occupational mobility between the two survey dates of the 2010 and 2015 life course data. In many cases, with a closer look to the data, it became apparent that posting dynamics and international mobility limited to the language area were able to explain the figures, which we refer to as “internationalization light.” (Table. 1).

The highest degrees of internationalization in management is found in the samples of Switzerland and Hong Kong. Switzerland is an interesting case because it was a very closed economic system for a long time. Although Switzerland has traditionally been characterized by a high degree of internationality and has a long tradition as an international financial center, it was very rare to find foreigners in management positions in the economy until the 1980s, which is why it was also

Table 1 Overview of study and professional mobility

	Germany	Switzerland	Korea	Japan	China	India	Brazil	Argentina	Hong Kong
Share of foreign CEOs	17%	44%	4%	4%	(0)	8%	19,4%	27,8	58%
Study mobility	42,7	25%	38,1	13,3	3%	36,4	< 30	39,5	53,8
Professional mobility	56%	66%	49,1	14,4	5%	55,3	< 30	59,7	88,9

referred to as the “Alpine fortress.” In the 1990s there was a selective opening with regard to management positions in companies, which was accompanied by enormous economic growth. During the 1990s, the large traditional Swiss companies were broken up and the recruitment of managers increasingly took place via the labor market, with the largest companies showing a preference for foreign managers—above all from neighboring states and from the United States of America. In addition, Switzerland has special features such as the Swiss Code, a voluntary declaration regarding certain corporate governance rules, such as the requirement to employ a corresponding proportion of foreign managers when sales are generated abroad. Although the Swiss Code is not legally binding, it is frequently applied and therefore has a relatively broad impact. The comparatively high level of internationalization in Hong Kong’s banking sample—with banks from 14 nations and managers from 18 nations—can be explained to a large extent by where managers are posted, which is why one can speak of in-house globalization in the Hong Kong case: The banks are headed by executives from the banks’ country of origin. Foreigners and the Hong-Kong Chinese head foreign banks while the Chinese work in banks from mainland China.

Argentina, Brazil and Germany are in the middle of the overall sample in terms of internationalization of management. The internationalization of management is very high in Argentina compared to other countries in the study, but has decreased over the period of the study. The traditionally high proportion of foreign managers in Argentine companies is partly due to the fact that they are individuals from immigrant families who have retained their original citizenship for reasons of tradition and partly because the common language facilitates professional mobility between Latin American countries. The decreasing proportion of foreign managers in the last few years studied could be related to Cristina Fernández de Kirchner’s nationalization policy, which could make it seem more promising to rely on domestic executives with extensive personal networks in the country due to Argentina’s complex economic policies. In Brazil, the internationalization of management follows a clear pattern: while foreign companies usually work with expatriate managers from the home country, the majority of domestic companies are managed by local managers, who usually gained their international experience through assignments at foreign subsidiaries. In very rare cases, executives are recruited on the international labor market. Although an increase in the number of foreign CEOs was recorded in German companies during the period under review, the overall proportion of foreigners remains at a rather moderate level. In foreign subsidiaries, however, German managers are increasingly found at the top.

In the samples from Korea, Japan and India, the proportion of foreign executives is below 10%. In Japan, the continuing importance of the local career system and the formative role of family-dominated corporate networks play the decisive role. Executives have gone through inhouse careers and are recruited exclusively within the company, which can be explained by the high value placed on loyalty in Japanese culture. In line with this structure, it is understandable that there are hardly any foreign managers in the sample. In the case of Korea and India, too, the proportion of family-dominated companies is very high, which in turn also frequently rely on executives from the ranks of the owning family.

There are no internationally recruited executives in the Chinese sample, and the life course analysis was conducted only for Chinese entrepreneurs, as foreign companies can only operate in China at all through joint ventures with Chinese companies.

Looking at education and career paths, it is clear that periods spent abroad during studies, or as temporary professional assignments, are gaining importance or already have a high significance in almost all countries surveyed. The pioneers here are Germany, Switzerland, Hong Kong and Argentina. In all countries the focus is on work experience abroad. However, as we have seen in the country's reports, mobility in common language areas plays a major role here. The comparatively low proportion of executives with experience abroad through study or work in Japan can be explained by the high age of the managers in the sample due to the persistence of the seniority principle in Japanese career systems. Also in Japan, nonetheless, there is a trend toward more internationality among the younger generation. In China, student and professional experience abroad are (still) very rare.

5 Triumph of Economics and Business Schools?

From the globalization discourse two preconditions were carved out for the spread of neoliberal ideas. In addition to international mobility, which has already been examined in detail, this is the economic education of executives. Master of Business Administration degree programs at business schools are said to play a crucial role in this regard. If we look at these variables across the countries, we see that, with the exception of traditional Japan, the proportion of managers trained in economics is rising in all countries studied, and MBA degrees are gaining in importance, especially at business schools. Among Japanese executives, engineering continues to dominate in terms of education and its importance has,

surprisingly, increased. Master's degrees are hardly to be found and there is only a slight increase during the period under review (Table. 2).

The idea of a spread of neoliberal action orientations via the content taught in MBA courses at international business schools cannot be substantiated empirically, as our data shows. Overall, the role of MBA degrees in career progression must be viewed in a more differentiated way. In the literature, it is often assumed that elite institutions from English-speaking countries play a particularly important role in the spread of neoliberal ideas. This cannot be confirmed in the context of the studies presented here.

First of all, it becomes apparent that national (elite) schools are often the most heavily frequented institutions. For Switzerland, for example, it can be seen that, in addition to the well-known U.S. universities, European business schools and the national elite system with the ETH Zurich, the HSG St. Gallen and the International Institute for Management Development in Lausanne are of central importance. This pattern is also found for other countries. This suggests that MBA degrees are more seen as an additional certificate of competence that is more effective the more prestigious the business school attended.

In South Korea, the MBA degree and especially studying in the U.S. is seen as a status symbol. On the basis of the available data, it is not possible to conclusively clarify whether the completion of an MBA is the result of the executives' own efforts or whether it is a result of the organizations' wishes—and thus, in the sense of the neoinstitutionalists, could be interpreted as a demonstration of the organizations' rationality to the outside world. It can only be stated that it is a typical pattern for economic elites in South Korea to stay in the U.S. for a limited period of time. Among the younger generation of executives, networks are no longer formed only at elite Korean universities, but also in the context of studying abroad at elite institutions in the USA.

In addition, it is apparent that MBA degrees in South Korea are often completed at a late stage in a person's career. At first glance, for the younger generation of managers, business studies seem to be the access route to top positions and the MBA degree an obligatory requisite. However, a closer look at the career paths of executives reveals that the MBA degree is not a recruitment criterion, but that the top position has already been reached by the time the degree is obtained. In Hong Kong, too, a high proportion of managers have a Master of Business Administration degree, but this was usually obtained later in their career.

But the overall picture shows that the conditions for the spread of neoliberal ideas extrapolated from the globalization discourse are at least partially in place in the majority of the countries studied: the top management of industry shows

Table 2 Proportion of economics qualifications

	Germany-land	Switzerland	Korea	Japan	China	India	Brazil	Argentina	Hong Kong
Proportion of economists	49,5%	47,9	37,1%	21,9%	?	38,6%	52%	55%	52,2
Proportion of MBAs	10,7%	20,7%	28,7%	6%	?	23,4%	28%	32,4%	30%

a high degree of internationalization, and many executives have an educational background in economics, in some cases acquired through an MBA program at business schools. Nevertheless, according to our findings, there is no wide-ranging adoption of neoliberal orientations. Japan seems to be the extreme case of a traditional orientation, while in Switzerland developments are most likely to run in the direction of the theses expressed in the globalization discourse.

6 Neoliberal Action Orientations

The globalization thesis assumes that the economy is increasingly shifting from a focus on industrial production to the service sector. As a result of the economic liberalization in many countries of the world, as well as falling transport and communication costs, international competition is intensifying. Therefore, governments are coming under increasing pressure from companies to reduce labor costs, cut taxes and expand internal markets through deregulation. In doing so, they are opposed by unions and social democratic parties in their aim to protect wages and social benefits. The effect that globalization has depends on the strength of political resistance. Because capital has exit options, power is often shifting dramatically toward capital. This leads to substantial deregulation and a worldwide convergence of economic institutions.

On the basis of our empirical studies, we can confirm neither the strong globalization thesis of the emergence of a global elite, nor the strong thesis of a convergence towards a global neoliberal management. Instead, our analyses confirm the assumption of moderate effects of globalization (“weak” globalization thesis) that diversity of economic paths continues. At the level of corporate management, to a large extent, we see the findings of authors who subscribe to the “varieties of capitalism” approach confirmed.

But also on the level of corporate management, from which financial market orientation was taken as an example, there is no dominance of neoliberal ideas. Financial market orientation was operationalized here as a shareholder value orientation in the sense of a concentration of management action on short-term profits and the value of company shares. Another indicator for such a view is frequent job changes, as a result of which orientation of management personnel becomes detached from the concrete corporate context and individual career becomes the focus of action. From this point of view, it is also interesting to look at how management careers actually develop.

In almost all countries, frequent company changes and external recruitment of top management are not the norm. House career is still the dominant pattern. In

Japan, this can be explained by the traditional principle of lifelong employment. In other countries, such as South Korea, the fact that three quarters of the companies in the Top 100 sample are family businesses is decisive, as the younger generation of CEOs are part of the owners' family. Even in Hong Kong, more than half of the executives have had a house career within the bank. Switzerland is an exception here. Executives there change employers frequently, but these are strikingly often older managers in the top position of the company who move to the top position of another company. Moreover, these management changes only occur within the same industry. Overall, this means that Switzerland has the highest proportion of externally recruited executives in the whole sample.

If we now look at the collective mindsets, we see in almost all of the countries studied and at all of the levels analyzed, that there are local and organizational orientations prevailing instead of globally widespread ideas of a neoliberal nature. In none of the countries there is evidence of management decisions being based on the value of the company's stock. The persistence of the different ways in which capitalism functions is most evident at the level of financial market orientations, since this level is of central importance to companies and actors because they tend to fall back on traditional institutional support structures even after severe shocks and crises. Our analyses of financial market orientation allow us to show that both the form of coordination between firms and the relationship with institutions—in this case, in the form of the financial market—contribute decisively to the differential functioning of capitalism. Our international study confirms the divisions into coordinated, liberal and hierarchical market economies mentioned in the varieties-of-capitalism concept.

Germany is considered to be the ideal type of coordinated market economies. Although the Deutschland-AG model has been a thing of the past for some time now and the associated structure of cross-linkages has lost its significance, it is evident, for example, in the clear long-term orientation of executives, that the corresponding mindsets still hold true. Instead of a short-term shareholder value orientation, managerial action is geared toward preserving the company's existence, and stable, long-term investor relationships are viewed positively. Although German banks largely divested themselves of their corporate holdings at the beginning of the 2000s and the direct controlling power of banks via supervisory board mandates in numerous central companies is a thing of the past, capital market financing of German companies is still comparatively low, which serves as protection against hostile takeovers. The strong stability orientation is also recognizable at the employee level, since low performance does not lead to dismissal but to tighter control. The notion of leadership via personnel selection is the establishment of lasting working relationships. Likewise, for the notion of

life conduct, work commitment and orientation toward a concrete company is central.

Originally, Switzerland was also assigned to the coordinated market economy type, but it was later classified as a mixed type due to its much more liberal character (Hall & Gingerich, 2009). This diagnosis is also confirmed in our analyses: Although Switzerland has a strong orientation toward the existence of companies, the orientation toward profits and corporate value plays a comparatively more important role, and the opening of the capital market to international investors has also been pursued more consistently through corresponding legal deregulation. At the level of management personnel, too, more frequent changes point to a fundamentally different mode of knowledge transfer.

A basic structure can be seen in the different perceptions of the financial markets depending on the ownership structure. The family businesses regard a move away from the financial market as beneficial, since the focus is on the long-term existence of business. In the German interview sample, this view is often drawn in sharp distinction to the management of companies in which shareholders determine the course. A clear rejection is articulated here, which does not include any regret. In Korea, Brazil and Argentina, the view is strongly influenced by family-dominated corporate groups. Here, the dominant attitude is that family-owned companies perform better than financial market-financed companies because decisions can be made more quickly in companies managed and financed by family, which represents a decisive competitive advantage. If we look at local financial markets, we find that although they formally exist, it is practically impossible to carry out a hostile takeover of company-conglomerates because they are controlled by families through cross-mandates. In Brazil and Argentina, the managers of the foreign subsidiaries also tend to bypass the financial market and use intra-company financing options. If we look at the structure of the financial market in China, we see parallels: Here, too, only a few company shares are traded on the stock exchange at all. As in Latin America, many companies are in the hands of majority owners, although in China the state plays a greater role than the owning families. Although a positive attitude toward the financial market is expressed in the interviews, control over companies is not lost when it goes public. Chinese executives see their stakeholders not their shareholders as the central point of orientation.

Commonalities in the countries we analyzed emerge in particular with regard to the role played by family-dominated business groups as internal substitutes for the financial market. We find this tendency in the Latin American countries as well as in the East Asian countries and in India. Korea and Japan also

belong to the coordinated form of capitalism although organized in a fundamentally different way. Trust-based business networks play the central role here, with individual companies linked by cross-linkages and the groups usually including a bank. In Latin American corporate groups there are usually clear relationships of superiority and subordination with centralized decision-making power.

This feature of hierarchical market economies is clearly found in our studies. The corporate structure in Brazil and Argentina is characterized by a stable shareholder structure that ensures internal coverage of the companies' financial needs. The foreign companies are hierarchically controlled by the parent companies and are not traded on local stock markets; local business groups are mostly majority-owned by local families and neither form of company is traded on local stock markets. The dominant hierarchical management concepts correspond to the labor market structure of the countries, which allows unilateral control of labor relations. The strong diversification of the business groups in different countries within Latin America and areas of activity represents a comparative advantage, since cyclical and political fluctuations can be better balanced internally. In addition, the family structure of business groups often gives them privileged access to politics, as they are able to build lasting relationships with individual politicians. They often pursue the strategy of entering into joint ventures with international companies, in which they trade this advantage of local networking and their access to natural resources for technology transfer.

The executives of listed companies in Germany, Switzerland, Brazil, and India articulate an attitude that is supported by the conviction that one is able to control the system. However, in the background, barriers are being raised to ensure planning security for shareholders. The idea is not to hand the company over to the financial market, but to assert oneself as the principal. In this pattern of interpretation, executives also see themselves as guarantors of the company's existence and expansion. In India, the financial market is also seen, especially by the younger generation, as an opportunity for financing and further developing the company, which managers can use to prove their own success and can lead to innovative and effective management action. The opening of the financial markets is perceived by the majority of Indian executives as liberating because it brings rational, economic action more into focus.

In addition, local factors such as country-specific traditions and experienced situations of crisis have a formative effect on mindsets. For example, the majority of Japanese managers view the financial market as a threat. Japanese managers follow the idea of a "capitalism of the common good" and sees themselves as the top employee who, as their representative, represents the interests of the other employees. The traditional Japanese variant of capitalism, based on high

employee loyalty, would be overridden by short-term profit-maximizing logics. In contrast, while the financial market in Argentina is largely perceived positively, its use is merely an abstract way to access capital for business development which is in practice not available due to Argentina's fluctuating economy. In Hong Kong it is also evident that crisis phenomena in recent history had a greater impact on the mindsets of bank executives than neoliberal ideas. In the dominant mindset, welfare of society as a whole is placed above shareholder value orientation. Managers see the core task of banks as getting economic growth off the ground and distance themselves from risky investment strategies. The financial center Hong Kong is characterized by above-average stock market capitalization in international and intra-Asian comparison. For the banks themselves, however, this does not seem to have any real relevance concerning action. The credit business, a high equity ratio and the focus on customers from the Asian region were further intensified after the recent financial crisis. Even in the area of new markets, mainly traditional family businesses are found. Decisive for the granting of loans and thus for the development of new markets are long-term relationships with the respective banks as a confidence-building element in the granting of loans. The underlying structure is the fear of speculation in the wake of the Asian financial crisis.

Neoliberal concepts are most likely to be found at the level of employee management. But here, too, they are not dominant in most countries and often only recognizable in echoes. Neoliberal management concepts are most frequently adopted in Switzerland, but these are not dominant views either, but rather initial indications articulated primarily by the younger interviewees. Here, impersonal management ideas that exhibit a strong output orientation are frequently found, such as "management by objectives", a clear orientation toward performance measurement systems and the linking of remuneration systems to market success. In all countries studied, fundamentally hierarchical management concepts are dominant, combined with different elements and varying degrees of indirect control. Indirect management, profit centers and benchmarks, however, have become widespread, as evidenced by extensive and self-evident use of the relevant vocabulary. On the other hand, traditional and local patterns of interpretation are often found among older interview partners. Thus, bureaucratic, person-oriented management is dominant in the German sample.

In the majority of Asian countries, no purely neoliberal patterns of interpretation can be found at the level of employee management, but oftentimes mixed forms that combine top-down structures with elements of indirect control. In contrast to neoliberal ideas of leadership, which revolve around delegation of responsibility and empowerment, clear hierarchical ideas of leadership are the

ideal in Korea, as they guarantee optimal functioning of the organization. This basic form is supplemented in India by elements of people-oriented leadership and results orientation, and in China by delegation, target agreements and output controls, which are severely limited in scope. Overall, the articulated views represent a classic command-control model that falls short of the possibilities of the methods mentioned in the interviews with regard to self-control. In many countries, clear hierarchical leadership concepts are combined with the cultivation of personal contacts and support for employees, which in this context, however, must be understood more as paternalistic care and not in the sense of a coaching relationship as support for self-help. Approaches such as delegation of responsibility and employee empowerment are rarely mentioned in Korea, India and China and are only used within very narrow limits.

Japan again is the exception here. The basic organizational form of Japanese companies, which can be characterized as a community or clan, shapes the perceptions of executives at all levels considered in the analysis of collective mindsets. In Japanese organizational culture, consensual decision-making and collective responsibility form the fundament for the decision-making process, based on tangible interactions and immediate relationships. The Japanese leadership style, which considers relationships and interactions as an important element, is in turn closely linked to the Japanese career system, which is based on the lifelong commitment of employees, the seniority principle, and an internal job market. Top management positions tend to be representative and symbolic. Accordingly, with regard to employee management, the idea of harmonious cooperation with employees, which places communication at the center, dominates. Managers are convincing through their commitment to the employees and the organization and thus become role models. Through an open communication culture, they are able to know the employees' opinions and include them in decisions.

In terms of employee management, hierarchical leadership concepts dominate in the Latin American countries. In Argentina, these are based in part on disciplinary superiority and subordination, but in part on personal leadership ability, which is seen as a natural characteristic in the sense of a charismatic leader. Neoliberal leadership ideas are found here only among a few younger executives who run foreign subsidiaries in the consumer goods sector. In the Brazilian sample, the idea that managers should act as a role model and control through targeted selection of personnel dominates among older managers. By younger executives, employees are described as important sources of ideas to whom responsibility is delegated, but the mindset remains paternalistic at its core. Decisions are made by the manager; the management relationship is based on personal contact but has a strong controlling character.

The collective mindsets emerged in our studies at the employee level fit the explanatory approach of the varieties-of-capitalism debate: It becomes apparent that new concepts are adopted selectively where they harmonize with or connect to existing institutions. In addition, the level of employee management has less institutional anchoring and impulses for change can therefore be absorbed more easily. However, where strong cultural ideas or political imprints are present and interconnected in various ways, the resilience of institutional settings is also evident, as Japan or communist China show. The idea of delegation, which is articulated by the majority of executives in Germany, fits well with the German idea of Codetermination when one thinks, for example, about the instrument of target agreements. Through the German Codetermination Act and works councils, the various stakeholder groups are used to discussing corporate goals together. The idea of coaching, on the other hand, is well compatible with a paternalistic attitude, as in Latin American countries, for example, and can be traced back to historical roots such as the traditional attitude of landowners: The patron looks after his people and their welfare. However, the dominance of hierarchical and paternalistic ideas of leadership in Latin American countries can also be explained by the dominance of the employer side in the employment system. Hierarchical market economies are characterized by a weak education system and a fragmented union structure, which may explain this imbalance (Schneider, 2011). We also see in the mindsets of employee management that the system of lifelong employment has a formative effect in Japan. These examples show that shared beliefs acquired through common experience and imprinting, i.e., the respective culture and history, exert a formative influence on the orientations in management.

However, the more frequent articulation of neoliberal ideas at the level of employee management could also be a matter of local bias. In Switzerland, where performance measurement systems and target agreements play a major role, numerous companies in the pharmaceutical industry are represented in the sample, and this economic sector is possibly particularly predestined for international careers and for output-oriented concepts of employee management. Moreover, in the area of employee management, the operationalization of neoliberal concepts was relatively broad, since it includes both indirect management with its orientation toward target agreements and performance measurement systems and the change in the management role toward the idea of the coach, who provides support to the employee in his or her performance.

At the level of life conduct, only rudiments of neoliberal ideas, operationalized by ideas of self-optimization, self-economization, and dissolution of boundaries between work and life, are found in some countries of the management study.