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**Integrating National Culture into the Organizational Performance Feedback Theory**

**ABSTRACT**

The organizational response to performance feedback is a collective process in which groups of decision makers face uncertainty about the future when making organizational decisions based on past performance feedback. Culture is an important variable to explain the context of collective decision processes, but it is not well understood by Organizational Performance Feedback Theory (PFT) research. The current internationalization trend of PFT research poses the questions if empirical results are comparable across different cultural settings and whether culture is a general condition of organizational performance feedback. We analyze the role of national culture as a proxy for collective interpretive processes that influences organizational decision-making process in responses to performance feedback and resolve some of the unexplained variance in the empirical results. We use a meta-analysis to understand if national culture poses a general condition for the organizational performance feedback process. We analyze the empirical results of 153 PFT studies covering organizations from 16 countries and examine the impact of four dimensions of national culture: uncertainty avoidance; performance orientation; future orientation; and institutional collectivism. We demonstrate that national culture is an important concept for the PFT development.

**Keywords**: National Culture; Performance Feedback; Problemistic Search; Organizational Decision-Making; Meta-Analysis

**1. INTRODUCTION**

When faced with uncertainty about the future, decision-makers in organizations must collectively make sense of their firm’s performance feedback and decide on how to adjust their strategic actions in response to this feedback (Cyert & March, 1992; Greve, 2003c). The Performance Feedback Theory (PFT) proposes that the intensity of various strategic actions depends on how decision-makers in organizations interpret performance feedback (Greve, 2003c; Greve & Gaba, 2017). The process of performance interpretation and the choice of responses are collective processes that are taking place in the context of culture (Qiufen, 2014). Consequently, several authors have noted that national culture influences organizational behaviors and strategic decisions (Sacristán-Navarro, Cabeza-García, Basco, & Gomez-Anson, 2022; Waarts & Van Everdingen, 2005).

National culture – that we define following Hofstede and Minkov (2010, p. 6) as “the collective programming of the mind that distinguishes the members of one group or category of people from others” – shapes managers’ perceptions, rendering them more sensitive to certain goals (Hofstede, Pedersen, & Hofstede, 2002) and their attainment[[1]](#footnote-1). As such, culture represents a stable, distinct, and relevant context for strategic organizational actions (Steel & Taras, 2010), particularly in response to performance feedback (Oyserman & Lee, 2008). Greve acknowledges the potential influence of culture in PFT and encourages researchers to investigate whether cultural differences cause differences in responsiveness to performance feedback (Greve, 2003a, p. 697). Gavetti, Greve, Levinthal and Ocasio (2012) go one step further requesting for culture to be integrated into the PFT. Subsequent studies provide initial empirical evidence that R&D investment decisions as responses to performance feedback are influenced by culture (Jirasek, 2017; Lewellyn & Bao, 2015; O'Brien & David, 2014; Ploeg, Knoben, & Vermeulen, 2022; Soares & Valente, 2020). While very insightful, those studies solely explain R&D-related responses, which represents a very specific strategic action (Lewellyn & Bao, 2021). There are many other organizational actions that are treated by the PFT such as strategic change, risk taking, facility investments and product innovations (Greve, 2003c, p. 76). This is an important distinction, because it was already demonstrated that organizational responses to performance feedback can vary depending on the strategic action (e.g., Kacperczyk, Beckman, & Moliterno, 2015; Kuusela, Keil, & Maula, 2017; Xu, Zhou, & Du, 2019). We do not know whether these initial findings generalize to the many, diverse strategic actions other than R&D investment. Therefore, the results from the extant studies remain isolated and cannot establish a general effect of culture in the PFT.

In this study, we ask whether culture is a fundamental condition that needs to be integrated into the PFT model. We answer this question using a meta-analytic approach to draw on all available evidence for our cross-cultural comparisons based on studies with samples from different countries. We choose a meta-analytic approach because accomplishing this in a single empirical study would have been extremely challenging (Aguinis, Gottfredson, & Wright, 2011; Eden, 2002). The growing diversity of national contexts in the PFT literature makes a meta-analytic investigation of culture into the PFT feasible for the first time in the development of the discourse[[2]](#footnote-2).

We employ a meta-analytic review of 153 empirical organizational performance feedback studies, with a total of 320 effect sizes, and data covering 16 countries. We develop a theoretical perspective that integrates culture into organizational performance feedback. The PFT is concerned with collective decisions about future actions based on actual performance under uncertainty. Therefore, we focus on four key dimensions of the GLOBE model of national culture (House, Hanges, Javidan, Dorfman, & Gupta, 2004) that are pertinent to the PFT: uncertainty avoidance, performance orientation, future orientation, and institutional collectivism.

Our paper contributes to three research streams. First, our work contributes to the PFT research by providing a better understanding of the interpretative process underlying performance feedback in response to performance below and above aspirations. Second, we isolate the cultural influence to show how certain cultural dimensions have consequences for the strategic decision-making process. Strategic actions in response to performance feedback cannot be separated from the cultural context they are embedded in. We demonstrate the relevance of culture for many diverse strategic decisions and actions beyond the already-studied R&D intensity, contributing to Behavioral Strategy more broadly. Third, our paper contributes to the IB discourse by suggesting that the PFT may be a useful theoretical framework explaining strategic decisions in global contexts. By doing so, we respond to the recent calls on testing established management theories in the context of national cultures (Sacristán-Navarro et al., 2022; Waarts & Van Everdingen, 2005).

**2. THEORY DEVELOPMENT**

**2.1. Relevant Background to Performance Feedback Theory**

Because their environments are uncertain and in flux, decision-makers in organizations look at past performance feedback to adapt (Cyert & March, 1992; Greve, 2003c). When their performance has fallen below aspirations, organizations engage in “problemistic search” (Cyert & March, 1992; Greve, 2003c) to find solutions to the performance problem. This search results in an increase in a variety of strategic actions to “mend performance shortfalls” (Greve, 2003a, p. 687). However, the feedback interpretation process that triggers problemistic search is not well understood (Ben-Oz & Greve, 2015) and empirical studies present mixed findings (Posen, Keil, Kim, & Meissner, 2018). To contribute to a better understanding of problemistic search, we directly engage with the context of the collective decision-making that is the central challenge of organizational decision making in response to performance feedback because it captures the complexity of organizational decision-making where many decision-makers are involved.

Studies focusing on how organizations behave when they exceed their aspirations, yield even more controversial findings (Kotiloglu, Chen, & Lechler, 2021; Shinkle, 2012). While some find that organizations become complacent and risk averse (Joseph & Gaba, 2015; Lucas, Knoben, & Meeus, 2018), others show that organizations engage in increased search, change and risk taking (Bromiley & Washburn, 2011; Lounsbury & Beckman, 2015). The response process is complicated by the fact that a group of individuals within the organization, referred to as a “dominant coalition”by Cyert and March (1992), makes decisions on behalf of the organization in response to firm-level performance feedback (Cyert & March, 1992). Organizational decisions that result from this collective process further depend on the availability of organizational slack (Nohria & Gulati, 1997).

**2.2. Performance Feedback Theory through the Lens of National Culture**

We theorize that national culture or, as Hofstede put it “the collective programming of the mind which distinguishes the members of one group from another” (Hofstede & Minkov, 2010, p. 6), can help us predict how organizations respond to performance feedback (Posen et al., 2018; Shinkle, 2012). It has been shown that certain dimensions of culture are associated with aspects that influence organizational decision-making such as ownership concentration (Sacristán-Navarro et al., 2022), effects of leadership (Ahmad, 2018), and strategic issue interpretation (Schneider & De Meyer, 1991). National culture has also been related to strategic actions such as the adoption of innovation (Waarts & Van Everdingen, 2005) and the choice of entry mode (Kogut & Singh, 1988).

While the influence of culture on organizational decision-making and diverse strategic actions is relatively well documented, there are only a few studies that address the intersection of culture and PFT. Rhee, Alexandra and Powell (2020), for instance, conceptually relate collectivism to responses to organizational performance feedback. Beyond Rhee et al. (2020)’s conceptual work in this area, we identified five empirical PFT studies addressing how culture influences R&D investment. O'Brien and David (2014) found that Japanese firms, high in communitarianism, differ in their R&D intensity in response to performance feedback from US firms, which are high in contractualism. Acknowledging limitations related to the exclusive focus on Japanese firms, O'Brien and David (2014) point out that “cross-country studies would be useful in corroborating our results and verifying its [empirical sample of Japanese corporations] generalizability across national contexts” (p. 563). Ploeg et al. (2022) provide such cross-country evidence on the effect of communitarianism on R&D responses across countries. Lewellyn and Bao (2015), focusing exclusively on firms performing *above* their *peer* aspirations, found that the R&D investment of firms is associated with the extent to which power distance and future orientation are present within a given culture. Jirasek (2017) demonstrates that some cultural dimensions could help to explain changes in R&D expenditures in the Agricultural Chemicals Industry. Soares and Valente (2020) demonstrate that the effects on the changes of R&D investments of uncertainty avoidance and long-term orientation of Hofstede’s model are important across different industries and cultural settings.

In conclusion, we note that all five empirical studies at the intersection of culture and performance feedback focus on one specific strategic action, namely R&D investment. Thus, it remains unclear whether their findings could be generalized to the diverse strategic actions in response to performance feedback such as risk taking, strategic change, partnering, acquisition, divestiture, and geographic expansion.

—Insert Table 1 about here —

Our interest in theorizing the role of culture within organizational performance feedback discourse is motivated in part by the increased attention on analyzing strategic actions in response to performance feedback in different cultures. Table 1 presents the counts of US vs. non-US samples within the performance feedback discourse, demonstrating a constant increase in non-US samples.[[3]](#footnote-3) For instance, between 1995 and 2010, the majority of PFT studies drew their samples from US-based companies, with only 25% of studies with non-US samples. However, between 2010 and 2020, almost half (46%) of newly published studies used non-US based samples to analyze strategic actions in response to performance feedback. Similarly, between 2020 and 2022, more than 40% of newly published studies sampled firms in countries other than the U.S. to analyze strategic actions in response to performance feedback. Non-US studies are growing at a much faster rate than US-based studies.

Building on the above theorizing, we will outline below hypotheses for four cultural dimensions (uncertainty avoidance; performance orientation; future orientation; and institutional collectivism) of the GLOBE model (House, Javidan, Hanges, & Dorfman, 2002) that are tightly linked to the PFT. The PFT provides a basic model of how decision-makers in organizations deal with decision-making under uncertainty (Cyert & March, 1992; Greve, 2003c). To advance our understanding of the PFT, we suggest that it is crucial to consider how decision-makers may differ in their collective attitudes towards and in their coping with uncertainty. We do this by first examining how decision-makers' differences in “uncertainty avoidance” (Hofstede, 1983) affect their interpretations of performance feedback. Interestingly in this connection, Hofstede originally borrowed the term “uncertainty avoidance” from the Behavioral Theory of the Firm (BTOF) (Hofstede, 1983), which is the central framework behind PFT. Hofstede’s[[4]](#footnote-4) research showed systematic variations across cultures in the extent to which decision-makers avoid uncertainty. Second, we look at “performance orientation,” i.e., the extent to which performance improvement is valued and rewarded in a given cultural context as an explanation of what could potentially influence decision-makers’ responses to performance feedback (Posen et al., 2018). Third, we address “future orientation,” the dimension that captures the extent to which decision-makers making sense of past performance are focused on future goals and take a long-term perspective. Finally, we include “institutional collectivism,” the organizational norms and behaviors that decrease or increase conflict between individual vs. collective interests, arising--for instance--in the setting of organizational goals or coordinating strategic actions in response to performance feedback (Cyert & March, 1992; March, 1962).

**3. HYPOTHESES**

**3.1. Changes in Strategic Actions in Response to Performance Below and Above Aspirations**

The performance feedback theory suggests that performance relative to aspirations drives strategic actions, such that performance below aspirations increases strategic actions and performance above aspirations decreases actions (Cyert & March, 1992; Greve, 2003c). The negative effect of performance below aspirations on strategic actions has received far-reaching theoretical and empirical support (Greve, 2003a; Posen et al., 2018)[[5]](#footnote-5). The PFT proposes that firms performing above their aspirations become inert or complacent and rely on the exploitation of their competencies (Levinthal & March, 1993). In line with this theorizing, many studies provide evidence that firms engage in less intense responses if they reach or exceed their aspiration levels (Audia & Greve, 2006; Greve, 1998, 2003a). However, some empirical studies also show more intense responses to performance above aspirations (Kraatz & Zajac, 2001; Nohria & Gulati, 1996). Increased intensity of responses is frequently attributed to organizational slack (Singh, 1986). Since organizational slack is largely independent of the firm’s most recent feedback and idiosyncratic to the firm, we believe it is prudent to make the same *a-priori* behavioral assumptions for all firms. Since theorizing in line with the widely accepted performance feedback theory (Greve, 2003c) applies to all firms, we develop our baseline hypotheses in line with the core assumptions of this theory:

***Hypothesis 0a (baseline):*** *Strategic action is increased when the organization performs below the aspiration level.*

***Hypothesis 0b (baseline):*** *Strategic action is decreased when the organization performs above the aspiration level.*

**3.2. Uncertainty Avoidance**

Cyert and March introduced the term “uncertainty avoidance,” suggesting that “organizations avoid the requirement that they correctly anticipate events in the distant future by using decision rules emphasizing short-run feedback rather than […] long-run uncertain events” (Cyert & March, 1992, p. 167). Cultural researchers (Hofstede, GLOBE project[[6]](#footnote-6)) acknowledge their indebtedness to Cyert and March for their use of the term “uncertainty avoidance”. Hofstede explains: “The term ‘uncertainty avoidance’ was used in the 1960s in a well-known American book about the Theory of the Firm. It was applied to the level of organizations by Cyert and March. But I borrowed it in the 1970s for describing differences between national societies” (Hofstede, 2011). In the GLOBE model, uncertainty avoidance (UA) is defined as “the extent to which the members of an organization or a society strive to avoid uncertainty by relying on established social norms, rituals, and bureaucratic practices” (House et al., 2004, p. 11).

When dealing with situations with uncertain and unpredictable outcomes, individuals in cultures where uncertainty avoidance is high experience stress and anxiety (Hofstede, 2011). Therefore, we argue that decision-makers will experience high levels of stress when their firms underperform. They may also perceive greater risk (Frijns, Gilbert, Lehnert, & Tourani-Rad, 2013) than their counterparts in cultures with low levels of uncertainty avoidance. As a result, we suggest they will tend to refrain from engaging in risky strategic action when faced with underperformance. Li, Griffin, Yue and Zhao (2013) demonstrated that uncertainty avoidance is negatively related to corporate risk taking. The finding of van Den Bosh and van Proijen (1992), that individuals in cultures with high levels of uncertainty avoidance are less open to change, further supports our reasoning. We propose that if decision makers in highly uncertainty-avoidant cultures did overcome their anxiety following underperformance, the strategic action in response to performance feedback would tend to be more incremental than the responses of decision-makers in less uncertainty-avoidant cultures. We expect that decision-makers from uncertainty avoidant cultures will repeat proven strategic actions, since stressed decision-makers tend to be more rigid in their search for possible solutions (Staw, Sandelands, & Dutton, 1981).

Conversely, we anticipate decision-makers in cultures with low levels of uncertainty avoidance to experience relatively more ease with uncertainty (Geletkanycz, 1997), remaining curious and open to innovation (Hofstede, 2011; Shane, 1995) and more flexible in general (Geletkanycz, 1997). In fact, low uncertainty avoidance cultures have been associated with higher adoption of innovation (Waarts & Van Everdingen, 2005) and higher innovativeness (Thomas & Mueller, 2000). Low uncertainty avoidance cultures also displayed a higher level of internal locus of control (Thomas & Mueller, 2000). Internal locus of control encourages decision-makers to try to solve problems and avoid them in the future (Landau, Otani, & Libkuman, 1993), resulting in greater risk taking and more intense strategic action. Hence, we propose:

***Hypothesis 1a:*** *High uncertainty avoidance weakens the increase in strategic action in response to performance below the aspiration level.*

***Hypothesis 1b:*** *High uncertainty avoidance intensifies the decrease in strategic action in response to performance above the aspiration level.*

**3.3. Performance Orientation**

Organizational decision-makers make sense of their firm’s performance history (Levitt & March, 1988; March, 2010). How they interpret and respond to past performance, will, to some degree, depend on how performance is rewarded and encouraged. Several PFT studies (Alessandri & Pattit, 2014; Dong, Karhade, Rai, & Xu, 2021; Harris & Bromiley, 2007; Lim, 2015, 2017; Lim & McCann, 2014) have examined how CEOs’ and top managers’ incentives (e.g., stock options) influence the performance feedback-strategic action relationship. To appreciate a collective sense of how performance is generally regarded by all members of the organization, we focus on the cultural dimension of “performance orientation”.

In line with Javidan and Dastmalchian (2009), we define “performance orientation” as “the extent to which an organization or society encourages and rewards group members for performance improvement and excellence” (p.45). Performance orientation stems from the need for achievement, the need to continually do better (McClelland, 1987). In cultures with high performance orientation, performance feedback (regardless of whether it indicates underperformance or not) is perceived as an opportunity for continuous improvement. High performance orientation cultures also value doing over being (House et al., 2004), suggesting that decision-makers believe that engaging in action in response to performance feedback is important. Because of this focus on continuous improvement, excellence, and action, we argue that decision-makers in cultures with high performance orientation will respond strongly to performance feedback. We argue that the strong drive for excellence in high performance orientation cultures will motivate increased strategic action in response to performance below aspirations as well as above performance. For performance above aspirations, the strive for excellence will dampen the effect of complacency and inertia that is predicted by the PFT.

Decision-makers in cultures with low performance orientation, by contrast, attribute a lower potential to improvement of performance through action and discourage higher standards (Calza, Yeo, Aliane, & Cannavale, 2010). In low performance orientation cultures, background counts for more (Javidan, Dorfman, De Luque, & House, 2006) and it is therefore believed that there is less latitude for changing situations through strategic action. Since they perceive less change potential in action, we expect that decision-makers in low performance orientation cultures will be less sensitive to performance changes, and, consequently, less responsive to performance feedback than decision-makers in cultures with high performance orientation. Based on this line of reasoning, we present:

***Hypothesis 2a:*** *High performance orientation intensifies the increase in strategic action in response to performance below the aspiration level.*

***Hypothesis 2b:*** *High performance orientation weakens the decrease in strategic action in response to performance above the aspiration level.*

**3.4. Future Orientation**

How decision-makers interpret and adapt to performance feedback is not only history dependent but also target oriented (Levitt & March, 1988). Decision-makers make sense of performance by comparing actual performance to a previously set aspiration (i.e., the target) and this comparison drives future aspiration (Cyert & March, 1992; March & Simon, 1958). While Gavetti and Levinthal (2000) have advanced the thinking about forward-looking aspects of adaptation, only a few PFT researchers have discussed these to date (e.g., Chen, 2008; Labianca, Fairbank, Andrevski, & Parzen, 2009; Massini, Lewin, & Greve, 2005; Shinkle, 2012). The extent to which decision-makers are oriented toward the future varies across cultures (House et al., 2004). Javidan and Dastmalchian (2009) define future orientation as “the degree to which individuals in organizations or societies engage in future-oriented behaviours such as planning, investing in the future, and delaying gratification” (p. 46). Ashkanasy, Gupta and Mayfield (2004, p. 285) add “the extent to which members of a society or an organization believe that their current actions will influence their future [...] and *look far into the future* for assessing the effect of their current actions”. Cultures with high future orientation rely on longer thinking and decision-making timeframes (Buck, Liu, & Ott, 2010; Javidan & House, 2001), emphasize working for long-term success (Ashkanasy et al., 2004), tend to save for the future (Javidan & House, 2001) and have a more systematic planning process (Javidan & Dastmalchian, 2009). Delayed gratification and long-term focus encourage organization in high future orientation cultures to engage in activities with a return that is not immediately apparent (Kull, Yan, Liu, & Wacker, 2014). They also can imagine many scenarios for future development (Chiu, 2012). Decision-makers in low future orientation cultures, by contrast, tend to engage less in systematic planning (Javidan & Dastmalchian, 2009). They are focused on the present and are less willing to invest in long-term projects with uncertain and/or delayed future returns (Ashkanasy et al., 2004).

When performing below aspirations, organizational-decision makers in highly future-oriented cultures will respond more strongly than those in lower future orientation, because they focus on solving problems for the long-term rather than quick fixes (Newman & Nollen, 1996) and they are willing to accept delayed returns. This long-term focus and the acceptance of delayed gratification that characterizes decision-makers in highly future-oriented cultures will also encourage experimentation when firms’ performance exceeds their aspirations. Decision-makers in low future orientation cultures, in contrast, will tend to reap the immediate satisfaction from attaining their aspirations. Lewellyn and Bao (2015)’s findings support our argument: they found that organizations in more future-oriented cultures respond more strongly when they perform above aspirations in contrast to low future-oriented cultures.

Taken together, this evidence suggests to us that decision-makers in high future orientation cultures will respond more strongly to performance feedback below aspirations and will be more willing to engage in longer-term thinking associated with actions that (further) improve current conditions. Accordingly, we propose:

***Hypothesis 3a:*** *High future orientation intensifies the increase in strategic action in response to performance below the aspiration level.*

***Hypothesis 3b:*** *High future orientation weakens the decrease in strategic action in response to performance above the aspiration level.*

**3.5. Institutional Collectivism**

Many organizational decision-makers engage in a performance feedback process that involves setting goals and comparing their organization’s performance against these (Cyert & March, 1992). Acknowledging that “[p]eople (i.e., individuals) have goals; collectivities of people do not,” Cyert and March suggested that members of the organizations form coalitions and engage in collective action to develop organizational goals (Cyert & March, 1992, p. 30). Describing the organization as a “political coalition” or a “conflict system” (March, 1962), March was interested in the trade-off process that takes place between individual and collective interest—a dynamic in which conflict is continuous (March & Olsen, 1975).

According to Javidan and House, institutional collectivism refers to “the degree to which individuals are encouraged by societal institutions to be integrated into groups within organizations” (Javidan & House, 2001, p. 286). Decision-makers in highly collectivistic cultures value relationships with group members and, concerned with the impact of their own behavior, tend to avoid behavior that could harm interpersonal relationships (Javidan & House, 2001). In highly collectivist cultures, decision-makers tend to form cohesive groups (Bullough, Renko, & Abdelzaher, 2014) and, to maintain cohesion and group harmony, they prioritize collective goals over personal goals (Elliot, Chirkov, Kim, & Sheldon, 2001; Leung, 1987; Ohbuchi, Fukushima, & Tedeschi, 1999), avoiding disagreement and confrontations that could jeopardize group harmony. Therefore, they prefer an avoiding or accommodating approach to conflict (Rahim, Garrett, & Buntzman, 1992). Decision-makers in collectivistic cultures believe in involving others (Hofstede, 2001; Waarts & Van Everdingen, 2005).

When the focal organization in a high collectivism culture underperforms, its members perceive a threat to their group cohesion and harmony (Medcof & Wang, 2017; Rhee et al., 2020). Thus, we argue that decision-makers in highly collectivist cultures engage in even stronger problemistic search in response to negative performance feedback to pursue collective interests than decision-makers in more individualistic (less collectivistic) cultures who prioritize personal interests. More individualistic cultures also strive to preserve a positive self-image (Rhee et al., 2020). Such preservation of self-imagine is referred to as self-enhancement (Jordan & Audia, 2012) and dampens problemistic search.

When firm performance is above aspirations and this threat to the group is absent, we expect that organizations in highly collectivist cultures decrease their strategic action more than those in less collectivistic cultures. Since the feedback of the collectively agreed-upon performance precedes personal interests of decision-makers in organizations, any risk taking above and beyond the attainment of the aspiration level is undesirable. Organizational members in more individualistic (less collectivistic) cultures, however, are more focused on personal benefit and achievement (Nelson & Shavitt, 2002). Decision-makers want to venture out on their own (Hofstede, 2001; Waarts & Van Everdingen, 2005). In their cross-cultural study of mission statements, Bartkus, Glassman and McAfee (2004) found that more individualistic cultures stress competitive superiority. Decision-makers who are driven and are encouraged by recent positive performance feedback will try to exceed aspirations even further and be more motivated to engage in increased strategic action. Thus, we propose:

***Hypothesis 4a:*** *High institutional collectivism intensifies the increase in strategic action in response to performance below the aspiration level.*

***Hypothesis 4b:*** *High institutional collectivism intensifies the decrease in strategic action in response to performance above the aspiration level.*

**4. METHODS**

To test our hypotheses, we used a meta-analytic approach to draw on all available evidence for our cross-cultural comparisons based on studies with samples from different countries. Accomplishing this in a single empirical study would have posed considerably more challenges (Aguinis et al., 2011; Eden, 2002). Our data collection, methodological approach and analyses are informed by the most recent meta-analytic studies in the organizational performance feedback and national culture discourses (Chang, Ellinger, Kim, & Franke, 2016; Crede, Jong, & Harms, 2019; Dykes & Kolev, 2018; Gupta & Chauhan, 2021; Kotiloglu et al., 2021; Liu, Vredenburg, & Steel, 2014; Steel, Taras, Uggerslev, & Bosco, 2018).

**4.1. Sample**

To draw our sample, we searched the ABI/INFORMS and Web of Science databases for all published studies that analyze the effects of organizational performance feedback. We used the following keywords and their combinations in searching the literature: “behavioral theory of the firm”; “performance feedback”; “attainment discrepancy”; “organizational decision making”; “aspirations”; “problemistic search”; “slack search”; “inertia”; “organizational change”; “strategic change” and “risk taking”. Our searches produced an initial sample of 195 empirical performance feedback studies, published between 1987 and 2021[[7]](#footnote-7). We ran a backward search through the references of the identified studies, allowing us to further expand the initial sample. In order to address the “file drawer problem” (Rosenthal, 1995)[[8]](#footnote-8), we made a call for unpublished studies using Academy of Management listservs and circulated our call in several divisions, including Strategic Management, Organization and Management Theory, Technology and Innovation Management, and International Business. We also searched for unpublished studies through EBSCO, SSRN, and Google Scholar databases. These efforts resulted in the addition of 18 new studies to our sample.

We determined if the identified studies included the required statistical information for meta-analysis (e.g., sample size and correlations) and removed studies that did not report all the required information[[9]](#footnote-9). We also eliminated duplicated studies that used the same sample to examine the same relationship and included only the most recently published ones in the final sample. Consistent with our hypotheses, we excluded studies with multi-country samples. We also excluded studies that did not report country origin for their samples. These steps reduced our sample to 153 empirical studies[[10]](#footnote-10) with 320 effect sizes from 16 different countries[[11]](#footnote-11).

Our final dataset is a representative sample of PFT studies, consisting of 1,582,255 firm-year observations from 23 different industries. On aggregate, the studies in our sample span a data collection period between 1923 and 2018. Following Aguinis, Ramani and Alabduljader (2018) and Combs, Crook and Rauch (2018), we report sample size and sample characteristics (i.e., time and location of data collection) for each study.

**4.2. Coding**

Following the organizational performance feedback theory (Cyert & March, 1992; Greve, 2003c), a team of three researchers coded the studies in our sample based on organizational performance feedback mechanisms and the country of data collection.

**4.2.1. Organizational performance feedback mechanisms**

**4.2.1.1. Dependent variable**

Strategic actions are the actions that firms take in response to performance feedback. To corroborate the PFT, researchers have tested many diverse strategic actions such as strategic change, partnering, acquisition, risk taking, geographic expansion, new product introduction, R&D investment. A given empirical paper may study one or more strategic actions. We collect all correlations of all strategic actions contained in a given empirical paper (usually only one action but sometimes two or more) with the corresponding performance feedback variables.

**4.2.1.2. Performance feedback variables**

Our hypotheses differentiated between organizational performance below and above aspirations. Since most studies analyze the effects of performance above and below aspirations on strategic actions together, we coded each effect size from each study as analyzing a strategic action in response to performance above or below aspirations and collected the effect sizes for each relationship separately (i.e., for the relationship between performance below aspirations and strategic action; and for the relationship between performance above aspirations and strategic action).

We also differentiated between historical performance feedback and social performance feedback, labeling a relationship as examining performance relative to historical aspirations when the aspiration level was operationalized as a function of a firm’s own past performance (Jung & Bansal, 2009); and labeled a relationship as examining performance relative to social aspirations when the aspiration level was operationalized as a function of peer performance (Kacperczyk et al., 2015).

**4.2.2. National culture**

We coded each study according to the country of data collection. We also coded each study for the different dimensions of national culture based on the country of data collection and the GLOBE (Global Leadership and Organizational Behavior Effectiveness) framework (Chhokar, Brodbeck, & House, 2007; Hanges & Dickson, 2004; House et al., 2004). GLOBE is one of the most popular cross-cultural frameworks used in management research (Ambos & Håkanson, 2014; Avloniti & Filippaios, 2014; Tung & Verbeke, 2010). GLOBE framework builds on data collected from managers (i.e., decision makers) of organizations (Brewer & Venaik, 2010; House et al., 2004; Taras, Rowney, & Steel, 2009; Venaik & Brewer, 2016), which makes it relevant for our hypotheses related to organizational decision making in response to performance feedback.

We coded each study based on the scores of their sample countries at all dimensions of culture used in the GLOBE framework, i.e., uncertainty avoidance, assertiveness, performance orientation, in-group collectivism, institutional collectivism, humane orientation, future orientation, gender egalitarianism, and power distance. Even though we coded each study for all dimensions of GLOBE, our hypotheses only suggest relationships for four dimensions. Therefore, in our analyses we only used the four hypothesized dimensions., i.e., uncertainty avoidance, performance orientation, future orientation, and institutional collectivism.

For each country, GLOBE reports scores for societal values and societal practices. Societal values capture how things *should be*, i.e., “people’s aspirations about the way things should be done [in their countries]”, while societal practices capture how things are *as is*, i.e., “people’s perceptions of how things are done” (Javidan & House, 2001, p. 293). Moreover, practices are more consequential for organizations given their influences on organizational policies and programs, while scores for values are more consequential for larger societies (Hanges & Dickson, 2004; Peterson & Castro, 2006; Waldman et al., 2006). Brewer and Venaik (2010) found negative and significant correlations between GLOBE value and practice scores, which highlight the importance of choosing the right set of scores for analyses.

Organizational performance feedback theory and the Behavioral Theory of the Firm aim to “understand the behavior of a variety of organizations in a variety of decision situations” (Cyert & March, 1992, p. 2). Since practice scores are more relevant for organizational-level analyses and organizational decisions, we chose to use the scores for societal practices in our analyses.

**4.2.3. Control variables**

In our meta-regressions, we controlled for factors that might influence effect size heterogeneity, i.e., the publication outlet and publication year. Following Aguinis et al. (2018), we used the 2015 Chartered Association of Business Schools (ABS) tiers to control for the quality of the publication outlet. We included a binary variable, top journals, which was coded as 1 for ABS Tier 4\* and 4 journals, and 0 for ABS Tier 3 and below journals. We also controlled for three factors that are related to sampling and research design of each empirical study, i.e., data collection method of each study, ownership structure of sampled firms and the operationalization of performance metric. Following Aguinis et al. (2018), we controlled for the data sources of the studies using a binary variable, as archival and survey data tend to produce results with substantially different effect sizes and reliabilities (Bettis, Gambardella, Helfat, & Mitchell, 2014). Ownership structure differentiates between studies that had samples of publicly listed (coded as 1) and private companies. We also controlled for the operationalization of performance metric, differentiating between long-term and short-term goals. Following Gavetti (2012) and Ben-Oz and Greve (2015), we coded goals with immediate returns as short-term and goals that have a longer duration for obtaining returns as long-term. We created a binary variable, short-term goal, which was coded as 1 for studies that used short-term performance metrics (e.g., revenues, sales, the return on assets, the return on equity), and 0 for studies with long-term performance metrics (e.g., market value, market share, patent output). We also controlled for various sample characteristics that might influence our results, i.e., firm size and industry. We operationalized firm size as the average firm size of each study sample. We included a categorical variable to account for industry effects, based on the industry that each study drew their sample from. We also accounted for multi-industry studies by assigning them as a separate category.

**4.3. Analysis**

In order to test our hypotheses, we used bivariate meta-analytic procedures to assess the overall effect sizes (Hunter & Schmidt, 1990), following the recommendation of Aguinis, Pierce and Culpepper (2009), given its accuracy for estimating the moderating effects, especially when categorical and binary moderators are present. Aguinis, Sturman and Pierce (2008) also suggest that the Hunter and Schmidt approach “yields the most accurate estimate for the moderating effect magnitude” (p. 32), which is the primary goal of our study. Moreover, it is the most widely used method in management research (Bergh et al., 2016; Bitencourt, de Oliveira Santini, Ladeira, Santos, & Teixeira, 2020; Chang et al., 2016; Crook, Ketchen, Combs, & Todd, 2008; Geyskens, Krishnan, Steenkamp, & Cunha, 2008; Khosravi, Newton, & Rezvani, 2019; Walker, Chen, & Aravind, 2015).Following this procedure, we first calculated the sample-size weighted average effect sizes from the Pearson correlation coefficients, using the following formula:

where *r* is the average effect size; *ni* is the sample size; and *ri* is the Pearson correlation coefficient for each study *i*. We relied on correlation coefficients to estimate effect sizes since they allow easy interpretation and limit downward bias (Aguinis et al., 2011; Dykes & Kolev, 2018; Geyskens, Steenkamp, & Kumar, 2006). In general, we used all reported correlations from all studies to assess the overall effect sizes.

In our analyses, we used uncorrected correlation coefficients since most studies drew on archival data rather than survey data and did not report information on measurement errors. As Aguinis et al. (2011) suggested, “if primary-level studies do not provide information on measurement error for each of the variables, correcting for unreliability in a meta-analysis may turn into a guessing game” (p. 1038)[[12]](#footnote-12).

We used meta-analytic regression models to examine the moderating effects of different dimensions of culture on the relationship between performance feedback and strategic actions. Following Aguinis et al. (2011), Gonzalez-Mulé and Aguinis (2018) and Crook et al. (2008), we opted for mixed effects models, which allow for testing the effects of variables on effect size heterogeneity, while assuming that additional boundary conditions may exist. For each model, the dependent variable was the sample-size corrected mean correlation coefficient, while the independent variables included dimensions of culture and methodological factors.

**5. RESULTS**

**5.1. Main Results**

**Table 2** presents a summary of the hypotheses and results. **Table 3** presents the overall effects for strategic actions in response to performance below and above aspirations. Hypothesis 0a (baseline) suggested that strategic action was increased when the organization performed below the aspiration level. Our results show that the relationship between performance below aspirations and strategic actions is negative and significant (*r* = -0.076, *p* = 0.000), suggesting that when performance falls below aspirations strategic actions in response become stronger. Hypothesis 0b (baseline) suggested that strategic action was decreased when the organization performed above the aspiration level. The relationship between performance above aspirations and strategic actions is not significant (*p* = 0.498).

—Insert Table 2 about here —

Following Gonzalez-Mulé and Aguinis (2018) and Geyskens et al. (2008), we report the credibility intervals and I2 ratios of between-study variance to total variance for each effect size. The credibility intervals of the effect sizes of performance below aspirations and performance above aspirations include 0, suggesting that tests for boundary conditions are warranted (Gonzalez-Mulé & Aguinis, 2018; Whitener, 1990). Moreover, high (above 50%) I2 ratios for performance below and above aspirations demonstrate that heterogeneity in the effect sizes should be further explored (Higgins & Thompson, 2002), providing support for our moderation analyses.

—Insert Table 3 about here —

**Tables 4 and 5** present the variable definitions and descriptive statistics for performance below and above aspirations models, respectively. We checked for multi-collinearity across these variables using variation inflation factors (VIF). Overall, VIF values are all below 3, suggesting the absence of a multi-collinearity problem (Gujarati & Porter, 2003). **Table 6** presents the results of meta-regression analyses. For performance below aspirations, Model 1 only includes the control variables, and Model 2 includes control variables with hypothesized cultural dimensions. For performance above aspirations, Model 3 only includes the control variables, and Model 4 includes control variables with hypothesized cultural dimensions.

—Insert Table 4 about here —

Our **meta-regression analyses** show the importance of methodological variables on the effects of performance feedback on strategic actions. For performance below aspirations, the publication year of a study (Table 6 Model 2: *b* = 0.017, *p* = 0.072) and data collection method (Table 6 Model 2: *b* = 0.016, *p* = 0.096) have a positive and significant effect on a negative relationship. For performance above aspirations, publication outlet quality has a negative effect on a negative relationship (Table 6 Model 4: *b* = -0.026, *p* = 0.003). Moreover, publication year (Table 6 Model 4: *b* = 0.040, *p* = 0.000) and industry category (Table 6 Model 2: *b* = 0.028, *p* = 0.005) have a positive effect on a negative relationship.

—Insert Table 5 about here —

**Hypothesis 1a** proposes that uncertainty avoidance weakens the relationship between performance below aspirations and strategic actions. For performance below aspirations, we find that uncertainty avoidance has a positive and significant effect (Table 6 Model 2: *b* = 0.014, *p* = 0.091), suggesting that the negative relationship[[13]](#footnote-13) between performance below aspirations and strategic actions is weaker in cultures with high uncertainty avoidance, compared to cultures with low uncertainty avoidance. This result supports Hypothesis 1a. **Hypothesis 2a** proposes that performance orientation intensifies the relationship between performance below aspirations and strategic actions. Our results indicate that performance orientation does not have a significant effect on strategic actions in response to performance below aspirations (Table 6 Model 2: *p* = 0.125). Therefore, Hypothesis 2a is not supported. **Hypothesis 3a** proposes that future orientation intensifies the relationship between performance below aspirations and strategic actions. Our results show that future orientation does not have a significant effect on strategic actions in response to performance below aspirations (Table 6 Model 2: *p* = 0.582). Therefore, Hypothesis 3a is not supported. **Hypothesis 4a** proposes that institutional collectivism intensifies the relationship between performance below aspirations and strategic actions. We find that institutional collectivism has a negative and significant effect on a negative relationship (Table 6 Model 2: *b* = -0.026, *p* = 0.006), suggesting that the negative relationship between performance below aspirations and strategic actions is intensified in cultures with high institutional collectivism, compared to cultures with low institutional collectivism. This result supports Hypothesis 4a.

**Hypothesis 1b** proposes that uncertainty avoidance intensifies the relationship between performance above aspirations and strategic actions. We find that uncertainty avoidance has a negative and significant effect (Table 6 Model 4: *b* = -0.029, *p* = 0.001), suggesting that the negative relationship between performance above aspirations and strategic actions is intensified for cultures with high uncertainty avoidance, compared to cultures with low uncertainty avoidance. Therefore, Hypothesis 1b is supported. **Hypothesis 2b** proposes that performance orientation weakens the relationship between performance above aspirations and strategic actions. Our results suggest that performance orientation does not have a significant effect on strategic actions in response to performance above aspirations (Table 6 Model 4: *p* = 0.582). Therefore, Hypothesis 2b is not supported. **Hypothesis 3b** proposes that future orientation weakens the relationship between performance above aspirations and strategic actions. We find that future orientation has a positive and significant effect (Table 6 Model 4: *b* = 0.019, *p* = 0.041), suggesting that the negative relationship between performance above aspirations and strategic actions is weaker for cultures with high future orientation, compared to cultures with low future orientation. Therefore, Hypothesis 3b is supported. **Hypothesis 4b** proposes that institutional collectivism intensifies the relationship between performance above aspirations and strategic actions. Our results suggest that institutional collectivism does not have a significant effect on strategic actions in response to performance above aspirations (Table 6 Model 4: *p* = 0.634). Therefore, Hypothesis 4b is not supported.

**5.2. Additional Analyses**

Most prior performance feedback studies that incorporated culture in their analyses[[14]](#footnote-14) focused exclusively on social aspirations (Lewellyn and Bao, 2015) or historical aspirations (Soares and Valente, 2020), or hybrid aspirations that combine social and historical aspirations (O'Brien and David, 2014). Therefore, in addition to our main analyses, we tested whether the hypothesized effects of culture on organizational performance feedback differ for social and historical feedback. These results are presented in **Table 7** for performance below aspirations and **Table 8** for performance above aspirations.

—Insert Table 6 about here —

Overall, these results are in line with our main results in terms of direction and significance, but we find differences between historical and social performance feedback, depending on the cultural dimension. For performance below aspirations, we find that uncertainty avoidance has a positive and significant influence (Table 7 Model 4: *b* = 0.025, *p* = 0.066) on social performance feedback and future orientation has a positive and significant influence (Table 7 Model 2: *b* = 0.025, *p* = 0.091) on historical performance feedback. We also find that institutional collectivism has a negative and significant influence both on historical (Table 7 Model 2: *b* = -0.041, *p* = 0.002) and social performance feedback (Table 7 Model 4: *b* = -0.027, *p* = 0.076).

—Insert Table 7 about here —

For performance above aspirations, we find that future orientation has a positive and significant influence (Table 8 Model 2: *b* = 0.024, *p* = 0.035) on historical performance feedback. We also find that uncertainty avoidance has a positive and significant influence on historical performance feedback (Table 8 Model 2: *b* = 0.026, *p* = 0.013), but a negative and significant influence on social performance feedback (Table 8 Model 4: *b* = -0.059, *p* = 0.000). Moreover, institutional collectivism has a negative and significant influence on historical performance feedback (Table 8 Model 2: *b* = -0.042, *p* = 0.000), but a positive and significant influence on social performance feedback (Table 8 Model 4: *b* = 0.031, *p* = 0.025).

—Insert Table 8 about here —

Prior studies on performance feedback and national culture exclusively used R&D intensity as the response to performance feedback (Jirasek, 2017; Lewellyn & Bao, 2015; O'Brien & David, 2014; Ploeg et al., 2022; Soares & Valente, 2020). In order to better understand this relationship, we created a subsample of performance feedback studies that only analyzed R&D intensity as the response and ran our analyses on this subsample. These results are presented at Table 9. For performance below aspirations, we find that uncertainty avoidance has a positive and significant influence (Table 9 Model 2: *b* = 0.059, *p* = 0.000), and for performance above aspirations, we find that no dimensions have a significant influence on the relationship.

—Insert Table 9 about here —

**5.3. Robustness Checks**

To better understand the extent of support for our hypothesized relationships, we conducted a set of robustness checks. Given the high frequency of US-based samples in our meta-analysis, we ran additional analyses that exclude studies that use US-based samples. The results of subgroup analyses for GLOBE dimensions that excluded US-based studies, in comparison with the results of the overall analyses, are presented in **Appendix C**.

For performance below aspirations, we find that institutional collectivism has a negative influence (Appendix C Model 2: *b* = -0.043, *p* = 0.000), supporting Hypothesis 4a. We also find that future orientation has a positive effect on the relationship between performance below aspirations and strategic actions (Appendix C Model 2: *b* = 0.021, *p* = 0.016) and performance orientation has a negative effect on the relationship between performance below aspirations and strategic actions (Appendix C Model 2: *b* = -0.026, *p* = 0.012). For performance above aspirations, we find that uncertainty avoidance intensifies the (negative) relationship (Appendix C Model 4: *b* = -0.028, *p* = 0.001), supporting Hypothesis 1b.

Overall, the results of our robustness checks for the non-U.S. sample support our main result on the effect of institutional collectivism for performance below aspirations (Hypothesis 4a) but does not support our main result on the effect of uncertainty avoidance (Hypothesis 1a). For performance above aspirations, these results support our main results for uncertainty avoidance (Hypothesis 1b), but do not support our main results for future orientation (Hypothesis 3b).

**5.4. Post Hoc Analyses**

We also ran additional analyses to understand the extent of internal and external validity of our study[[15]](#footnote-15). For internal validity, we ran additional analyses and corrected the sample size weighted mean effect size using the artifact distribution approaches of Olkin and Pratt (1958) and Fisher (1921). The differences between uncorrected and corrected effect sizes were not significant[[16]](#footnote-16). This is not surprising, as Schmidt, Pearlman, Hunter and Hirsch (1985) has suggested that artifact corrections in meta-analysis generally account for limited variability in correlation coefficients. In addition to using publication data collection methods as a control variable in our regression models, we ran additional analyses with studies that only used archival data in their analyses, to account for differences among studies within our sample that might influence internal validity. The differences between effect sizes of all studies versus the studies that used archival data were not significant (performance below aspirations: *p* = 0.960, performance above aspirations: *p* = 0.389)[[17]](#footnote-17).

For external validity, we carried out an outlier analysis to assess whether outliers might bias our results (Aguinis, Pierce, et al., 2010; Geyskens et al., 2006; Kepes, McDaniel, Brannick, & Banks, 2013; Schmidt & Hunter, 2014). We followed Junni, Sarala, Taras and Tarba (2013) and excluded correlation coefficients that were more than six standard deviations above or below the mean correlations of the overall sample. The results from this analysis are similar to the original results: the effect size of performance below aspirations decreases by 0.003 and the effect size of performance above aspirations decreases by 0.009 when potential outliers are excluded. The difference between the effect sizes that included and excluded outliers are not significant (performance below aspirations: *p* = 0.781, performance above aspirations: *p* = 0.507). We also conducted the meta-regression analyses on the samples that excluded outliers. These results are in line with our main results, supporting Hypotheses 1a, 4a, and 1b.

Furthermore, we carried out the Fail-Safe N test, which assesses how many unpublished studies with null results are needed to invalidate our results (Rosenthal, 1995). The Fail-Safe N for the effect size of performance below aspirations is 501,423 and the Fail-Safe N for the effect size of performance above aspirations is 1,459, exceeding the criterion suggested by Rosenthal (1979), i.e., five times the number of studies in the sample plus ten.

We followed Aguinis, Dalton, Bosco, Pierce and Dalton (2010) and carried out the trim-and-fill analysis to further assess the concern with the file drawer problem. The trim-and-fill method simulated studies that might be missing and included these simulated studies in estimating effect sizes (Duval & Tweedie, 2000). The estimated number of missing studies for the effects of performance below aspirations and performance above aspirations are both zero. Overall, the conducted tests demonstrate that our results are robust.

**6. DISCUSSION AND CONTRIBUTIONS**

**6.1 Discussion of Findings**

In this study, we address the recent trend of the growing national diversity in the PFT research (see Table 1). We test how four key cultural dimensions (uncertainty avoidance, performance orientation, future orientation, and institutional collectivism) influence strategic actions in response to organizational performance feedback to facilitate the discussion if empirical results are comparable between different countries. Based on meta regression models we found that three out of four dimensions vary in their effect on the relationship between performance feedback and strategic actions. This demonstrates that national culture plays an important role in explaining organizational performance feedback that needs to be considered when comparing empirical results across different cultural settings.

We found that **uncertainty avoidance** weakens the increase in strategic actions in response to performance below aspirations. This result contrasts with Soares and Valente (2020), which found the opposite effect. To better understand these contradictory results, it should be noted that Soares and Valente (2020)’s results rely on historical performance feedback, while the significance of our generalizable results is driven by social performance feedback. Our results for performance above aspirations show that **uncertainty avoidance** intensifies the decrease in strategic actions. While these results corroborate Soares and Valente’s findings, they stand in contrast to Lewellyn and Bao (2015), which did not find an effect. This may be explained by the fact that Lewellyn and Bao (2015) does not account for historical feedback that has the opposite sign.

We tested **performance orientation** in the context of the PFT. While we do not find that performance orientation influences organizational responses to performance feedback (combining historical and social comparisons as suggested in the formulation of the PFT (Greve, 2003c)), we do find for the non-US sample that performance orientation is related to stronger responses when performance is above historical aspiration. This suggests that, with further increase of studies with diverse cultural backgrounds, performance orientation may play an even more important role in the PFT. To our knowledge, our study is the first one that quantitatively tests the effect of the cultural dimension of performance orientation in PFT and finds a significant effect.

We find that **future orientation** weakens the decrease in strategic actions in response toperformance above aspirations. This finding is in line with Lewellyn and Bao (2015), which is – to our knowledge – the only paper that studied this relationship. We could not find significant effects for performance below aspirations, suggesting that even decision-makers in highly future-oriented cultures tend to rely on incremental solutions to performance problems, as proposed by the PFT (Greve, 2003c). Since Lewellyn and Bao (2015) focused on outperforming firms, we only have limited comparison with other papers for future orientation when performance is below aspirations. Our findings for performance above aspirations complement a recent discourse in the PFT, where authors emphasize the need to integrate future orientation into the PFT model (Gavetti, Levinthal, & Ocasio, 2007; Shinkle, 2012).

Our data suggest that **institutional collectivism** intensifies the increase in strategic actions in response to performance below aspirations, which is in line with Ploeg et al. (2022). O'Brien and David (2014) could not find significant results, however their study only focuses on a single culture that is high in collectivism. Our results on institutional collectivism are theoretically important because they show that harmony and consensus facilitate problemistic search in response to an organizational problem. It appears that performance below aspirations may activate the collective action potential inherent in collectivist cultures, while the diverging interests typically present in cultures lower in collectivism appear to reduce strategic actions in response to performance feedback.

In sum, we find that national culture poses an important situational variable in predicting strategic actions in response to performance feedback. The results also reveal that different dimensions have opposing effects indicating that culture should not be treated as a homogeneous concept instead the individual aspects of culture need to be considered for explaining strategic actions (Steel & Taras, 2010). The treatment of individual culture dimensions will also motivate more specific adjustments to the PFT model.

**6.2 Contributions**

We integrated culture into the performance feedback model. Following Hofstede and Minkov (2010), we have argued that culture represents one facet of collective decision-making. Acknowledging cultural differences in how members of the dominant coalition in organizations collectively make decisions under uncertainty, we provide an explanation for differences in strength of strategic actions in response to performance feedback.

Our work contributes to a **better understanding of the interpretative process underlying performance feedback in response to performance below and above aspirations.** For performance below aspirations, our results (namely that uncertainty avoidance weakens the response to performance below aspirations while institutional collectivism strengthens it) provide new insight to address unexplained variation in strategic actions in response to performance feedback and on collective cognitive processes in problemistic search (Posen et al., 2018). While some PFT studies to date focus on individual cognition in problemistic search (Banerjee, Lampel, & Bhalla, 2019; Choi, Rhee, & Kim, 2019), Posen et al. (2018) draw our attention to a shortcoming in mainstream PFT research that views problemistic search as “automaticity in firms’ response to performance feedback and an overly routinized process of search” (p. 231). Our findings suggest that, far from automaticity, this highly complex process is embedded in a cultural mindset among organizational decision-makers collectively interpreting performance feedback as problematic, triggering search for solutions.

For performance above aspirations, we demonstrate that uncertainty avoidance intensifies, and future orientation weakens the decrease of responses. In doing so, our study helps to resolve some of the controversial findings produced by the prior empirical literature (Audia & Greve, 2006; Greve, 2003a, 2003c; Kotiloglu et al., 2021; Posen et al., 2018; Ref & Shapira, 2017). Thus, we argue, taking culture into consideration will likely increase the predictive accuracy of the PFT model. This may even lead to an extended PFT model, integrating national culture.

Our study also contributes to **behavioral strategy research** by demonstrating how certain cultural dimensions have consequences for the strategic decision-making process. This strand of research has yet to connect culture with strategic decision making, with the exception of R&D investment decisions as responses to performance feedback (Jirasek, 2017; Lewellyn & Bao, 2015; O'Brien & David, 2014; Ploeg et al., 2022; Soares & Valente, 2020). Our paper shows how certain cultural dimensions are related to many other strategic decisions and actions. The results from our additional analyses demonstrate different effects for different strategic actions, in particular R&D intensity versus others. Once we consider many different strategic actions in our meta-analysis, different cultural dimensions become relevant. While the differences among strategic actions has been acknowledged (Kuusela et al., 2017), it was unknown up to now whether cultural differences affect responses to different strategic actions. This suggests that culture plays a key role in strategic decision making, through the performance feedback. This helps behavioral strategy researchers to use the PFT model in conjunction with culture to better model strategic decisions.

Finally, our study contributes to IB research by suggesting **that the PFT may be a useful theoretical framework explaining strategic decisions in global contexts.** This is in line with isolated research efforts that adopted the behavioral perspective to explain international business phenomena (Lin, Liu, & Cheng, 2011; Tang & Rowe, 2012; Wennberg & Holmquist, 2008). We believe that it is a promising avenue for IB researchers to consider the role of performance feedback when they seek to interpret the direct effect of culture on strategic action (Kogut & Singh, 1988; Sacristán-Navarro et al., 2022; Waarts & Van Everdingen, 2005). For the four cultural dimensions we identified in this study, we show that the intensity of strategic actions differs for performance below vs. above aspirations. This suggests that, in order to understand why organizational decision-makers decide whether to undertake certain strategic actions, it may be productive to also take into consideration the performance feedback situation (i.e., whether a firm under- or overperformed in the previous period) together with the cultural context.

**6.3. Implications for Practitioners**

Our research makes managers aware how their cultural background influences them when they interpret and respond to their firms’ performance feedback. For example, managers coming from a high uncertainty avoidance culture need to be aware that they are less likely to take risks or initiate change, which will limit their organization to take less action in response to performance feedback. In contrast, managers from cultures with higher future orientation will be more encouraged by positive feedback to strive for more than those from cultures lower in future orientation.

These insights have also important implications for the management of multinational enterprises. Due to their cultural differences, decision makers in the home and host country may interpret similar performance feedback very differently (Buller, Kohls, & Anderson, 1997; Hamilton & Knouse, 2001). The disparity in interpretation can lead to conflict between the home country and the host country. For instance, a business division in a culture with low institutional collectivism will respond more intensely to performance shortfalls than a business division in a culture with high institutional collectivism. This disparity could also lead to conflicts within culturally diverse top-management teams, or between shareholders or partnering organizations with different culture backgrounds.

National culture influences organizational policies, conflicts between employees (Ahmad, 2018), organization’s approach to work-life balance (Den Dulk, Groeneveld, Ollier-Malaterre, & Valcour, 2013) and more broadly, influences on ethical leadership. Performance below or above aspirations may lead to more unethical decision making in different cultures and organizations should be more aware of it. In sum, our results tie cultural diversity to strategic actions and as such, support Hofstede (1989)’s request to create cultural awareness within a multinational organization.

**7. LIMITATIONS AND FUTURE RESEARCH**

Considering that we are using a meta-analytic approach, our results are limited by the choice of countries represented in the sample. As demonstrated in Appendix B, 59% of studies in our sample used US-based firms to analyze strategic actions in response to performance feedback.

The country distribution of studies used by GLOBE for their analysis of culture clusters (House et al., 2004) shows a similar pattern: 64% of studies covered organizations located in Anglo-based samples (Australia, New Zealand, US, UK, Canada), while only 2% focused on Nordic Europe, Germanic Europe or Southern Asia. Moreover, there is a lack of representation from Sub-Saharan Africa, Middle East, or Eastern Europe. We believe that this limitation also points toward an important research opportunity for organizational performance feedback, international business, and behavioral strategy researchers: analyzing the effects of organizational performance feedback using more representative samples that include under- or non-represented cultures will improve the generalizability of the theory. A comparison of the results from our regressions for our complete samples vs. the non-US sample (see Appendix C) shows that future orientation and performance orientation significantly influence strategic actions in response to performance below aspirations for non-US samples (but not for the complete sample). Due to the trend towards increasing cultural diversity of the PFT literature, we believe that these two dimensions will become even more important in the future. The finding for performance orientation is particularly intriguing because it is a promising cultural dimension that is closely connected to theorizing about responses to performance feedback but has not been considered in the PFT.

In our analyses, we assume that decision-makers of organizations in a specific country are subject to the corresponding cultural frame in the decision-making process. However, decision-makers may not originate from the culture in which the organization is situated and may be influenced by different cultural values. This is more evident in countries in the Anglo cluster, where the cultural backgrounds of executives are often distinct from the cultural background in which the firm is situated (Daily, Certo, & Dalton, 2000; Schmid, Wurster, & Dauth, 2015). While our results clearly demonstrate that cultural frameworks influence strategic actions in response to performance feedback, we believe that future studies can adopt a multi-level approach, taking into account the cultural backgrounds of individual decision makers within an organization and analyzing how these backgrounds influence organizational decision making. Specifically, we believe that there will be differences in the responses to feedback by culturally homogeneous vs. heterogeneous top management teams. In this context, it will also be very important to integrate the study of language (Marschan, Welch, & Welch, 1997) as an expression of culture.

Building on our findings regarding the opposing effects of certain cultural dimensions for historical and social performance feedback, we also hope that future research will examine the differences between historical and social performance within the cultural context. In this connection, the work of PFT researchers attempting to understand when and why historical or social performance feedback can drive different strategic actions (e.g., Chung & Shin, 2020; Kim, Finkelstein, & Haleblian, 2015) comes to mind. Some dimensions such as institutional collectivism may be more relevant for social performance feedback, while others such as future orientation may be more relevant for historical performance feedback.

Based on the identified differences among R&D activities and other strategic actions, we encourage researchers to systematically analyze differences among diverse types of strategic actions. For instance, we expect that strategic actions that involve high levels of risk are differently influenced by culture than actions that are rather low risk. We expect that decision-makers in high uncertainty avoidance cultures respond to feedback above aspirations by reducing risky strategic actions (e.g., R&D investment) to a greater extent than less risky ones (e.g., incremental organizational improvements). Similarly, we expect differences between resource-consuming acquisitions vs. resource-freeing divestments (Kuusela et al., 2017). When performance feedback exceeds their aspirations, decision-makers in high future-orientation countries will tend to engage in acquisitions promising long-term future returns while decision-makers in low future-orientation countries likely prefer divestment allowing for short-term availability of assets.

The diversity of our results shows that performance feedback is an interpretative process. Given that most PFT studies at date are archival, they do not capture granularity of culture or variations in the interpretation process. Building on our results, interested researchers can adopt different research designs, such as surveys, ethnographic studies, interviews, or experiments, that better capture the complexity of culture in organizational decision making. This would also help with the multi-level approach we discussed earlier.

In conclusion, we hope that future research can build on our meta-analysis and explore promising avenues to deepen our understanding for decision making at the intersection of culture and performance feedback. We believe that working at the intersection between the two research areas has the potential to produce answers to questions that researchers within each area currently cannot answer.

**TABLE 1. US vs. non-US Samples within Performance Feedback Discourse**

|  |  |  |
| --- | --- | --- |
| **Years** | **US Sample Count** | **Non-US Sample Count** |
| 1995-2000 | 3 | 0 |
| 2000-2005 | 4 | 0 |
| 2005-2010 | 14 | 7 |
| 2010-2015 | 21 | 10 |
| 2015-2020 | 30 | 34 |
| 2020-2022 | 17 | 13 |
| **Total** | 89 | 64 |

**TABLE 2. Summary of Hypotheses and Results**

| **Hypothesis** | **Dimension of national culture** | **Performance below or above aspirations** | **Proposed moderation effect** | **Support** |
| --- | --- | --- | --- | --- |
| H1a | Uncertainty avoidance | Below | Weakens the increase | Supported |
| H1b | Uncertainty avoidance | Above | Intensifies the decrease | Supported |
| H2a | Performance orientation | Below | Intensifies the increase | Not supported |
| H2b | Performance orientation | Above | Weakens the decrease | Not supported |
| H3a | Future orientation | Below | Intensifies the increase | Not supported |
| H3b | Future orientation | Above | Weakens the decrease | Supported |
| H4a | Institutional collectivism | Below | Intensifies the increase | Supported |
| H4b | Institutional collectivism | Above | Intensifies the decrease | Not supported |

**TABLE 3. Baseline Effects of Performance Below and Above Aspirations on Strategic Actions**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **k** | **r** | **p** | **SE** | **CI 95%** | **Cr. I. 95%** | **I2** |
| Performance Below Aspirations | 175 | -0.076 | 0.000 | 0.010 | -0.095; -0.057 | -0.319; 0.167 | 95.95% |
| Performance Above Aspirations | 145 | 0.008 | 0.498 | 0.011 | -0.014; 0.029 | -0.249; 0.264 | 99.53% |

Notes: Number of data points (k), sample size weighted mean effect size (r), standard deviation of sample size weighted effect size (SE), 95% confidence interval around the mean sample size weighted correlation (CI 95%), 95% credibility interval around the mean sample size weighted correlation (Cr. I. 95%), ratio of between-study variance to total variance for each effect size (I2).

**TABLE 4. Descriptive Statistics, Performance Below Aspirations**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Variable** | **Description** | **Mean** | **Std. Dev.** | **Min** | **Max** | **VIF** |
| Publication Outlet | Binary variable, publication outlet ABS ranking | 0.623 | 0.486 | 0 | 1 | 1.346 |
| Publication Year | Continuous variable, year of publication | 2015.114 | 5.035 | 1998 | 2021 | 1.394 |
| Private Firm | Binary variable, study sample consisting of private firms | 0.240 | 0.428 | 0 | 1 | 1.953 |
| Long-Term Performance | Binary variable, long-term performance metric | 0.634 | 0.483 | 0 | 1 | 1.372 |
| Industry Category | Categorical variable, industry categories | 3.373 | 6.016 | 0 | 23 | 1.185 |
| Firm Size | Continuous variable, study sample average firm size | 18.816 | 104.826 | 1 | 969.260 | 1.130 |
| Publication Data Collection | Binary variable, study using archival data | 0.926 | 0.263 | 0 | 1 | 1.351 |
| Uncertainty Avoidance | Continuous variable, GLOBE uncertainty avoidance score of the study sample, societal values | 4.273 | 0.350 | 3.550 | 5.320 | 1.246 |
| Future Orientation | Continuous variable, GLOBE future orientation score of the study sample, societal values | 4.055 | 0.260 | 3.250 | 4.440 | 1.721 |
| Institutional Collectivism | Continuous variable, GLOBE institutional collectivism score of the study sample, societal values | 4.336 | 0.370 | 3.680 | 5.220 | 1.455 |
| Performance Orientation | Continuous variable, GLOBE performance orientation score of the study sample, societal values | 4.389 | 0.209 | 3.580 | 4.560 | 2.018 |

*N = 175 effect sizes*

**TABLE 5. Descriptive Statistics, Performance Above Aspirations**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Variable** | **Description** | **Mean** | **Std. Dev.** | **Min** | **Max** | **VIF** |
| Publication Outlet | Binary variable, publication outlet ABS ranking | 0.652 | 0.478 | 0 | 1 | 1.428 |
| Publication Year | Continuous variable, year of publication | 2015.035 | 4.905 | 1998 | 2021 | 1.845 |
| Private Firm | Binary variable, study sample consisting of private firms | 0.213 | 0.411 | 0 | 1 | 1.804 |
| Long-Term Performance | Binary variable, long-term performance metric | 0.610 | 0.490 | 0 | 1 | 1.420 |
| Industry Category | Categorical variable, industry categories | 1.958 | 4.863 | 0 | 23 | 1.738 |
| Firm Size | Continuous variable, study sample average firm size | 21.553 | 114.951 | 1 | 969.260 | 1.135 |
| Publication Data Collection | Binary variable, study data collected via surveys | 0.241 | 0.429 | 0 | 1 | 2.236 |
| Uncertainty Avoidance | Continuous variable, GLOBE uncertainty avoidance score of the study sample, societal values | 4.255 | 0.329 | 3.550 | 5.320 | 1.331 |
| Future Orientation | Continuous variable, GLOBE future orientation score of the study sample, societal values | 4.095 | 0.222 | 3.480 | 4.440 | 1.506 |
| Institutional Collectivism | Continuous variable, GLOBE institutional collectivism score of the study sample, societal values | 4.353 | 0.378 | 3.790 | 5.220 | 1.479 |
| Performance Orientation | Continuous variable, GLOBE performance orientation score of the study sample, societal values | 4.406 | 0.175 | 3.720 | 4.560 | 1.601 |

*N = 145 effect sizes*

**TABLE 6. Meta Regression Analyses, Separated for Performance Above and Below Aspirations (GLOBE Scores)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Performance Below Aspirations** | | | | | | **Performance Above Aspirations** | | | | | |
|  | **Model 1: Controls, Performance Below Aspirations** | | | **Model 2: Full Model, Performance Below Aspirations** | | | **Model 3: Controls, Performance Above Aspirations** | | | **Model 4: Full Model, Performance Above Aspirations** | | |
| **Variables** | **b** | **SE** | **p** | **b** | **SE** | **p** | **b** | **SE** | **p** | **b** | **SE** | **p** |
| Publication Outlet | -0.012 | 0.009 | 0.162 | -0.014 | 0.009 | 0.124 | -0.013 | 0.008 | 0.332 | -0.026 | 0.009 | 0.003 |
| Publication Year | 0.020 | 0.009 | 0.023 | 0.017 | 0.009 | 0.072 | 0.021 | 0.009 | 0.105 | 0.040 | 0.011 | 0.000 |
| Private Firm | 0.010 | 0.009 | 0.293 | -0.003 | 0.011 | 0.822 | -0.004 | 0.009 | 0.017 | 0.007 | 0.010 | 0.463 |
| Long-Term Performance | 0.009 | 0.009 | 0.332 | 0.010 | 0.009 | 0.289 | -0.008 | 0.009 | 0.649 | -0.004 | 0.009 | 0.668 |
| Industry Category | -0.001 | 0.008 | 0.939 | 0.000 | 0.008 | 0.972 | 0.025 | 0.009 | 0.396 | 0.028 | 0.010 | 0.005 |
| Firm Size | 0.002 | 0.008 | 0.843 | 0.001 | 0.008 | 0.894 | 0.047 | 0.009 | 0.005 | 0.008 | 0.008 | 0.336 |
| Publication Data Collection | 0.011 | 0.009 | 0.247 | 0.016 | 0.010 | 0.096 | -0.013 | 0.008 | 0.000 | -0.013 | 0.011 | 0.235 |
| Uncertainty Avoidance |  |  |  | 0.014 | 0.008 | 0.091 |  |  |  | -0.029 | 0.008 | 0.001 |
| Future Orientation |  |  |  | 0.006 | 0.010 | 0.582 |  |  |  | 0.019 | 0.009 | 0.041 |
| Institutional Collectivism |  |  |  | -0.026 | 0.009 | 0.006 |  |  |  | 0.005 | 0.009 | 0.634 |
| Performance Orientation |  |  |  | -0.017 | 0.011 | 0.125 |  |  |  | -0.005 | 0.009 | 0.582 |
| k | 175 | | | 175 | | | 145 | | | 145 | | |
| R2 | 37.13% | | | 39.30% | | | 6.41% | | | 8.85% | | |
| QM (pq) | 11.442 (0.121) | | | 20.584 (0.038) | | | 66.199 (0.000) | | | 56.971 (0.000) | | |

Notes: Unstandardized estimates are reported. Number of data points (k), Q statistic with the overall moderation model with p values in parentheses (QM (pQ)).

**TABLE 7. Meta Regression Analyses, Performance Below Historical and Social Aspirations (GLOBE Scores)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Historical Aspirations** | | | | | | **Social Aspirations** | | | | | |
|  | **Model 1: Controls, Performance Below Historical Aspirations** | | | **Model 2: Full Model, Performance Below Historical Aspirations** | | | **Model 3: Controls, Performance Below Social Aspirations** | | | **Model 4: Full Model, Performance Below Social Aspirations** | | |
| **Variables** | **b** | **SE** | **p** | **b** | **SE** | **p** | **b** | **SE** | **p** | **b** | **SE** | **p** |
| Publication Outlet | -0.022 | 0.012 | 0.073 | -0.029 | 0.012 | 0.016 | 0.000 | 0.014 | 0.993 | 0.002 | 0.014 | 0.886 |
| Publication Year | 0.023 | 0.014 | 0.098 | 0.032 | 0.015 | 0.035 | 0.031 | 0.014 | 0.030 | 0.023 | 0.015 | 0.130 |
| Private Firm | 0.010 | 0.013 | 0.435 | 0.006 | 0.014 | 0.684 | 0.004 | 0.014 | 0.802 | -0.008 | 0.019 | 0.653 |
| Long-Term Performance | -0.002 | 0.014 | 0.902 | 0.002 | 0.013 | 0.851 | 0.017 | 0.014 | 0.236 | 0.011 | 0.015 | 0.483 |
| Industry Category | -0.001 | 0.016 | 0.967 | 0.002 | 0.015 | 0.918 | 0.011 | 0.014 | 0.424 | 0.010 | 0.015 | 0.492 |
| Firm Size | -0.006 | 0.012 | 0.615 | -0.008 | 0.012 | 0.516 | 0.006 | 0.014 | 0.666 | 0.006 | 0.014 | 0.654 |
| Publication Data Collection | -0.015 | 0.016 | 0.349 | -0.030 | 0.016 | 0.066 | -0.012 | 0.014 | 0.408 | 0.001 | 0.016 | 0.998 |
| Uncertainty Avoidance |  |  |  | 0.005 | 0.012 | 0.639 |  |  |  | 0.025 | 0.013 | 0.066 |
| Future Orientation |  |  |  | 0.025 | 0.015 | 0.091 |  |  |  | -0.007 | 0.017 | 0.677 |
| Institutional Collectivism |  |  |  | -0.041 | 0.013 | 0.002 |  |  |  | -0.027 | 0.015 | 0.076 |
| Performance Orientation |  |  |  | -0.009 | 0.014 | 0.503 |  |  |  | -0.010 | 0.018 | 0.579 |
| K | 68 | | | 68 | | | 71 | | | 71 | | |
| R2 | 57.46% | | | 64.39% | | | 41.20% | | | 43.86% | | |
| QM (pq) | 9.848 (0.220) | | | 19.621 (0.051) | | | 7.911 (0.341) | | | 14.406 (0.211) | | |

Notes: Unstandardized estimates are reported. Number of data points (k), Q statistic with the overall moderation model with p values in parentheses (QM (pQ)).

**TABLE 8. Meta Regression Analyses, Performance Above Historical and Social Aspirations (GLOBE Scores)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Historical Aspirations** | | | | | | **Social Aspirations** | | | | | |
|  | **Model 1: Controls, Performance Above Historical Aspirations** | | | **Model 2: Full Model, Performance Above Historical Aspirations** | | | **Model 1: Controls, Performance Above Social Aspirations** | | | **Model 2: Full Model, Performance Above Social Aspirations** | | |
| **Variables** | **b** | **SE** | **p** | **b** | **SE** | **p** | **b** | **SE** | **p** | **b** | **SE** | **p** |
| Publication Outlet | -0.011 | 0.010 | 0.259 | -0.010 | 0.011 | 0.381 | 0.007 | 0.014 | 0.626 | -0.008 | 0.015 | 0.596 |
| Publication Year | 0.018 | 0.011 | 0.099 | 0.021 | 0.012 | 0.068 | 0.046 | 0.016 | 0.004 | 0.047 | 0.015 | 0.001 |
| Private Firm | 0.004 | 0.010 | 0.670 | 0.006 | 0.012 | 0.640 | 0.010 | 0.014 | 0.457 | 0.021 | 0.017 | 0.208 |
| Long-Term Performance | 0.005 | 0.011 | 0.629 | 0.010 | 0.011 | 0.346 | -0.002 | 0.015 | 0.888 | 0.001 | 0.014 | 0.923 |
| Industry Category | 0.063 | 0.011 | 0.000 | 0.059 | 0.011 | 0.000 | -0.007 | 0.015 | 0.650 | 0.000 | 0.014 | 0.989 |
| Firm Size | -0.004 | 0.010 | 0.709 | -0.003 | 0.010 | 0.781 | 0.024 | 0.013 | 0.060 | 0.022 | 0.012 | 0.070 |
| Publication Data Collection | -0.093 | 0.011 | 0.000 | -0.107 | 0.011 | 0.000 | -0.040 | 0.013 | 0.003 | -0.060 | 0.013 | 0.000 |
| Uncertainty Avoidance |  |  |  | 0.026 | 0.010 | 0.013 |  |  |  | -0.059 | 0.012 | 0.000 |
| Future Orientation |  |  |  | 0.024 | 0.011 | 0.035 |  |  |  | 0.004 | 0.013 | 0.778 |
| Institutional Collectivism |  |  |  | -0.042 | 0.011 | 0.000 |  |  |  | 0.031 | 0.014 | 0.025 |
| Performance Orientation |  |  |  | 0.004 | 0.012 | 0.757 |  |  |  | -0.007 | 0.015 | 0.620 |
| K | 58 | | | 58 | | | 54 | | | 54 | | |
| R2 | 26.55% | | | 29.67% | | | 42.38% | | | 54.83% | | |
| QM (pq) | 145.246 (0.000) | | | 173.401 (0.000) | | | 26.813 (0.001) | | | 70.541 (0.000) | | |

Notes: Unstandardized estimates are reported. Number of data points (k), Q statistic with the overall moderation model with p values in parentheses (QM (pQ)).

**TABLE 9. Meta Regression Analyses, Separated for Performance Above and Below Aspirations (GLOBE Scores), Only R&D Intensity**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Performance Below Aspirations** | | | | | | **Performance Above Aspirations** | | | | | |
|  | **Model 1: Controls, Performance Below Aspirations** | | | **Model 2: Full Model, Performance Below Aspirations** | | | **Model 3: Controls, Performance Above Aspirations** | | | **Model 4: Full Model, Performance Above Aspirations** | | |
| **Variables** | **b** | **SE** | **p** | **b** | **SE** | **p** | **b** | **SE** | **p** | **b** | **SE** | **p** |
| Publication Outlet | -0.046 | 0.018 | 0.009 | -0.035 | 0.017 | 0.042 | -0.049 | 0.022 | 0.025 | -0.043 | 0.056 | 0.443 |
| Publication Year | -0.004 | 0.016 | 0.823 | -0.033 | 0.015 | 0.030 | 0.061 | 0.019 | 0.001 | 0.095 | 0.027 | 0.001 |
| Private Firm | -0.027 | 0.019 | 0.156 | -0.025 | 0.024 | 0.312 | -0.027 | 0.024 | 0.263 | -0.113 | 0.122 | 0.358 |
| Long-Term Performance\* | – | – | – | – | – | – | – | – | – | – | – | – |
| Industry Category | -0.008 | 0.015 | 0.562 | -0.014 | 0.010 | 0.168 | -0.010 | 0.017 | 0.579 | -0.001 | 0.043 | 0.984 |
| Firm Size | 0.054 | 0.016 | 0.001 | 0.079 | 0.016 | 0.000 | 0.037 | 0.016 | 0.016 | 0.049 | 0.033 | 0.134 |
| Publication Data Collection | -0.022 | 0.015 | 0.159 | -0.009 | 0.020 | 0.655 | 0.048 | 0.016 | 0.002 | 0.031 | 0.035 | 0.379 |
| Uncertainty Avoidance |  |  |  | 0.059 | 0.016 | 0.000 |  |  |  | 0.012 | 0.038 | 0.749 |
| Future Orientation |  |  |  | -0.006 | 0.023 | 0.811 |  |  |  | 0.032 | 0.034 | 0.347 |
| Institutional Collectivism |  |  |  | -0.008 | 0.014 | 0.570 |  |  |  | -0.015 | 0.048 | 0.750 |
| Performance Orientation |  |  |  | 0.005 | 0.023 | 0.848 |  |  |  | -0.107 | 0.077 | 0.163 |
| k | 30 | | | 30 | | | 19 | | | 19 | | |
| R2 | 61.43% | | | 82.26% | | | 83.48% | | | 86.50% | | |
| QM (pq) | 25.962 (0.000) | | | 73.446 (0.000) | | | 52.174 (0.000) | | | 84.196 (0.000) | | |

Notes: Unstandardized estimates are reported. Number of data points (k), Q statistic with the overall moderation model with p values in parentheses (QM (pQ)).

\* Within this subsample, there was not enough variance in this variable to report results.

**APPENDIX A.**

**Studies Included in Meta-Analysis**

| **Number** | **Study** | **Sample Size** | **Data Collection Period** | **Sample Country** |
| --- | --- | --- | --- | --- |
| 1 | Ahn et al., 2020 | 447 observations | 2011-2017 | US |
| 2 | Alessandri, 2006 | 2,230 observations | 1998-2003 | US |
| 3 | Alessandri, 2008 | 128 observations | 1998-2000 | US |
| 4 | Alexy et al., 2016 | 313 observations | 2008-2010 | UK |
| 5 | Arora et al., 2011 | 1,522 observations | 2001-2006 | US |
| 6 | Arrfelt et al., 2012 | 8,266 observations | 1998-2006 | US |
| 7 | Askin and Bothner, 2016 | 1,019 observations | 2005-2012 | US |
| 8 | Audia and Brion, 2007 | 88 observations | 1977-1999 | US |
| 9 | Audia and Greve, 2006 | 178 observations | 1974-1995 | Japan |
| 10 | Audia et al., 2000 | 150 observations | 1974-1985 | US |
| 11 | Barreto, 2012 | 25,452 observations | 1991-1994 | Portugal |
| 12 | Baum and Dahlin, 2007 | 189 observations | 1975-2001 | US |
| 13 | Baum et al., 2005 | 2,465 observations | 1952-1990 | Canada |
| 14 | Ben-Oz and Greve, 2015 | 252 observations | 2007 | Israel |
| 15 | Blageova et al., 2020 | 1,887 observations | 2002-2014 | US |
| 16 | Blettner and Di Lorenzo, 2017 | 1,209 observations | 1990-2003 | US |
| 17 | Blettner et al., 2019 | 5,549 observations | 1998-2014 | US |
| 18 | Borgholthaus et al., 2021 | 3,032 observations | 2008-2017 | US |
| 19 | Boyle and Shapira, 2012 | 112 observations | 1990-1999 | US |
| 20 | Bromiley and Washburn, 2011 | 22,189 observations | 1977-1997 | US |
| 21 | Busenbark et al., 2018 | 9,401 observations |  | US |
| 22 | Buyl and Boone, 2014 | 298 observations | 2000-2009 | US |
| 23 | Calabrò et al., 2018 | 432 observations | 2000-2014 | US |
| 24 | Ceci et al., 2012 | 2,265 observations | 2001-2006 | Italy |
| 25 | Ceci et al., 2016 | 762 observations | 2001-2006 | Italy |
| 26 | Chen, 2008 | 15,171 observations | 1980-2001 | US |
| 27 | Chen and Li, 2021 | 711 observations | 2008-2015 | China |
| 28 | Chen and Miller, 2007 | 35,970 observations | 1980-2001 | US |
| 29 | Chen and Song, 2020 | 6,543 observations | 2004-2011 | US |
| 30 | Cheng et al., 2021 | 7,460 observations | 2011-2017 | China |
| 31 | Cheon, 2020 | 592 observations |  | US |
| 32 | Choi et al., 2019 | 9,566 observations | 1992-2005 | Korea |
| 33 | Chrisman and Patel, 2012 | 8,473 observations | 1998-2007 | US |
| 34 | Deb et al., 2019 | 27,984 observations | 1994-2013 | US |
| 35 | Delmar and Wennberg, 2007 | 79,587 observations | 1995-2002 | Sweden |
| 36 | Deng and Long, 2019 | 10,280 observations | 2011-2016 | China |
| 37 | Desai, 2008 | 466 observations | 1978-2003 | US |
| 38 | Desai, 2013 | 6,632 observations | 1999-2004 | US |
| 39 | Desai, 2015a | 607 observations | 2003-2010 | US |
| 40 | Desai, 2015b | 315 observations | 2003-2010 | US |
| 41 | Dong et al., 2021 | 7,237 observations | 2001-2005 | US |
| 42 | Eggers and Kaul, 2018 | 785,490 observations | 1980-1997 | US |
| 43 | Ertug and Caner, 2015 | 2,043 observations | 1989-2005 | US |
| 44 | Gao et al., 2021 | 8,273 observations | 2004-2015 | China |
| 45 | Gentry and Shen, 2013 | 14,729 observations | 1979-2005 | US |
| 46 | Gomez-Meija et al., 2018 | 8,485 observations | 1997-2001 | US |
| 47 | Goyal and Goyal, 2021 | 2,691 observations | 2010-2017 | India |
| 48 | Greve, 1998 | 16,294 observations | 1984-1992 | US |
| 49 | Greve, 2003a | 1,672 observations | 1971-1996 | Japan |
| 50 | Greve, 2003b | 185 observations | 1964-1995 | Japan |
| 51 | Greve, 2007 | 258 observations | 1971-2000 | Japan |
| 52 | Greve, 2008 | 4,842 observations | 1911-1996 | Norway |
| 53 | Gubbi et al., 2015 | 2,729 observations | 1992-2005 | India |
| 54 | Guo and Peng, 2017 | 16,057 observations | 1988-2015 | China |
| 55 | Guo et al., 2019 | 6,814 observations | 2011-2015 | China |
| 56 | Harris and Bromiley, 2007 | 868 observations | 1997-2002 | US |
| 57 | Hendron et al., 2013 | 494 observations | 1975-1986 | US |
| 58 | Hu et al., 2017 | 11,657 observations | 1972-2010 | Germany |
| 59 | Huang et al., 2021 | 3,285 observations | 2009-2017 | China |
| 60 | Huang et al., 2022 | 136 observations | 2011-2015 | Taiwan |
| 61 | Hui et al., 2021 | 11,190 observations | 1997-2016 | Japan |
| 62 | Iglesias et al., 2019 | 40,224 observations | 1998-2008 | US |
| 63 | Jiang, 2018 | 327,942 observations | 1976-2002 | Japan |
| 64 | Jirasek, 2016 | 199 observations | 2002-2014 | US |
| 65 | Jung and Bansal, 2009 | 4,206 observations | 1992-1998 | Japan |
| 66 | Kacperczyk et al., 2015 | 3,225 observations | 1980-2006 | US |
| 67 | Kavadis and Castener, 2015 | 414 observations | 2000-2007 | France |
| 68 | Kavusan and Frankort, 2019 | 1,016 observations | 1985-2000 | US |
| 69 | Ketchen and Palmer, 1999 | 66 observations | 1986-1990 | US |
| 70 | Kim and Kim, 2020 | 362 observations | 1995-2016 | US |
| 71 | Kim and Rhee, 2014 | 331 observations | 1986-2006 | US |
| 72 | Kim and Rhee, 2017 | 4,163 observations | 1990-2014 | US |
| 73 | Kim and Tsai, 2012 | 650 observations | 2004-2006 | US |
| 74 | Kim et al., 2015 | 8,799 observations | 1988-2005 | US |
| 75 | Kolev and McNamara, 2020 | 3,265 observations | 1999-2014 | US |
| 76 | Kotiloglu et al., 2018 | 24,902 observations | 2007-2016 | US |
| 77 | Kotlar et al., 2013 | 4,903 observations | 2000-2006 | Spain |
| 78 | Kotlar et al., 2014a | 1,019 observations | 2000-2006 | Spain |
| 79 | Kotlar et al., 2014b | 995 observations | 2000-2006 | Spain |
| 80 | Kuusela et al., 2017 | 4,660 observations | 1992-2014 | US |
| 81 | Labianca et al., 2009 | 131 observations | 2004 | US |
| 82 | Lant and Hewlin, 2002 | 116 observations |  | US |
| 83 | Lant and Hurley, 1999 | 417 observations |  | US |
| 84 | Le and Lee, 2021 | 3,133 observations | 2010-2018 | Taiwan |
| 85 | Lee et al., 2020 | 272 observations | 1993-2008 | US |
| 86 | Lehman and Hahn, 2013 | 22,603 observations | 2000-2005 | US |
| 87 | Lim, 2015 | 2,004 observations | 1994-2006 | US |
| 88 | Lim, 2017 | 3,008 observations | 1994-2006 | US |
| 89 | Lim and McCann, 2014 | 3,892 observations | 1992-2006 | US |
| 90 | Lin, 2014 | 5,904 observations | 2000-2008 | Taiwan |
| 91 | Lin et al., 2012 | 7,290 observations | 1997-2006 | Taiwan |
| 92 | Lu and Wong, 2019 | 2,436 observations | 1998-2012 | Taiwan |
| 93 | Lu et al., 2013 | 4,682 observations | 1999-2008 | Taiwan |
| 94 | Lv et al., 2019 | 10,170 observations | 2007-2017 | China |
| 95 | Lv et al., 2021 | 9,449 observations | 2008-2018 | China |
| 96 | Ma, 2016 | 345 observations | 2000-2012 | China |
| 97 | Madsen, 2013 | 915 observations | 1990-2007 | US |
| 98 | Makarevich, 2018 | 9,837 observations | 1970-2003 | US |
| 99 | Mammen, 2021 | 11,170 observations |  | US |
| 100 | Manzaneque et al., 2018 | 3,116 observations | 2001-2013 | Spain |
| 101 | Massini et al., 2015 | 122 observations | 1992-1996 | US |
| 102 | Mazzelli et al., 2019 | 9,954 observations | 1998-2012 | Spain |
| 103 | Mezias et al., 2002 | 860 observations | 1995-1997 | US |
| 104 | Mishina et al., 2010 | 1,749 observations | 1990-1999 | US |
| 105 | Moliterno et al., 2007 | 374 observations | 1969-1983 | US |
| 106 | Moliterno et al., 2015 | 6,534 observations | 1992-2004 | Germany |
| 107 | Mount and Baer, 2021 | 14,187 observations | 2000-2015 | US |
| 108 | Murphy et al., 2001 | 810 observations | 1995-1998 | US |
| 109 | Nagel, 2021 | 985 observations | 2005-2016 | US |
| 110 | O'Brien and David, 2014 | 18,283 observations | 1992-2004 | Japan |
| 111 | Oehler et al., 2019 | 184 observations |  | Germany |
| 112 | Ok and Ahn, 2019 | 325 observations | 2010-2013 | Korea |
| 113 | Park, 2007 | 236,237 observations | 1985-2000 | US |
| 114 | Parker et al., 2017 | 1,332 observations | 2006-2009 | US |
| 115 | Ref and Shapira, 2016 | 3,926 observations | 1999-2007 | US |
| 116 | Rhee et al., 2019 | 1,274 observations | 2001-2008 | Korea |
| 117 | Rostami, 2008 | 948 observations | 1991-2002 | US |
| 118 | Rowley et al., 2017 | 2,736 observations | 2001-2010 | Canada |
| 119 | Ruckman and Blettner, 2020 | 143 observations | 2002-2011 | US |
| 120 | Rudy and Johnson, 2016 | 2,190 observations | 1980-2006 | US |
| 121 | Ruth et al., 2013 | 29,497 observations | 1980-2000 | US |
| 122 | Salge, 2010 | 770 observations | 2002-2007 | UK |
| 123 | Salge et al., 2015 | 612 observations | 2002-2007 | UK |
| 124 | Saraf et al., 2018 | 7,330 observations | 1999-2006 | Canada |
| 125 | Saraf et al., 2021 | 7,535 observations | 1999-2006 | Canada |
| 126 | Say and Vasudeva, 2020 | 46,182 observations | 2005-2016 | US |
| 127 | Schimmer and Brauer, 2012 | 10,719 observations | 1999-2008 | US |
| 128 | Schumacher et al., 2020 | 5,482 observations | 1992-2014 | US |
| 129 | Schwab, 2007 | 70 observations | 1923-1940 | US |
| 130 | Sengul and Obloj, 2017 | 1,206 observations | 1998-2004 | France |
| 131 | Shimizu, 2007 | 1,544 observations | 1988-1998 | US |
| 132 | Shipilov et al., 2011 | 21,706 observations | 1979-2001 | US |
| 133 | Singh and Guha, 2018 | 160 observations | 2007-2010 | India |
| 134 | Smulovitz et al., 2020 | 73,401 observations | 2005-2013 | US |
| 135 | Souder and Bromiley, 2012 | 8,241 observations | 1991-2007 | US |
| 136 | Su and Su, 2017 | 6,539 observations |  | China |
| 137 | Titus et al., 2019 | 2,054 observations | 1996-2007 | US |
| 138 | Tuggle et al., 2010 | 979 observations | 1994-2000 | US |
| 139 | Tyler and Caner, 2015 | 622 observations | 1997-2007 | US |
| 140 | Vidal and Mitchell, 2015 | 504 observations | 1999-2009 | US |
| 141 | Villagrasa et al., 2018 | 137 observations | 2006-2008 | Spain |
| 142 | Wang and Zhang, 2021 | 487 observations | 2012-2016 | China |
| 143 | Wang et al., 2021 | 12,327 observations | 2001-2017 | China |
| 144 | Wangrow et al., 2019 | 99 observations |  | US |
| 145 | Wennberg et al., 2016 | 39,890 observations | 1995-2002 | Sweden |
| 146 | Xie et al., 2019 | 3,575 observations | 2007-2013 | China |
| 147 | Xu and Zeng, 2020 | 1,416 observations | 2008-2013 | Japan |
| 148 | Yang et al., 2017 | 112 observations | 2000-2005 | China |
| 149 | Ye et al., 2020 | 56,716 observations | 1974-2018 | US |
| 150 | Yu et al., 2018 | 10,618 observations | 1980-2014 | US |
| 151 | Zhang, 2018 | 57,302 observations | 2000-2015 | US |
| 152 | Zhang and Greve, 2018 | 28,847 observations | 2000-2012 | China |
| 153 | Zhong et al., 2021 | 4,386 observations | 2010-2018 | China |

**APPENDIX B. Frequency Table of Countries Within Our Sample**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Country** | **Frequency** | **Percentage** | **Country Cluster (from GLOBE)** | **Cluster Percentage** |
| U.S. | 90 | 59% | Anglo | 64% |
| Canada | 4 | 3% | Anglo |
| UK | 3 | 2% | Anglo |
| China | 17 | 11% | Confucian Asia | 23% |
| Japan | 9 | 6% | Confucian Asia |
| Taiwan | 6 | 4% | Confucian Asia |
| Korea | 3 | 2% | Confucian Asia |
| Spain | 6 | 4% | Latin Europe | 8% |
| Italy | 2 | 1% | Latin Europe |
| Portugal | 1 | 1% | Latin Europe |
| Israel | 1 | 1% | Latin Europe |
| France | 2 | 1% | Latin Europe |
| Sweden | 2 | 1% | Nordic Europe | 2% |
| Norway | 1 | 1% | Nordic Europe |
| Germany | 3 | 2% | Germanic Europe | 2% |
| India | 3 | 2% | Southern Asia | 2% |
| Total | 153 |  |  |  |

\* Percentages rounded up to the closest decimal for clarity.

**APPENDIX C. Robustness Check: Meta Regression Analyses, Separated for Performance Above and Below Aspirations (GLOBE Scores, Complete vs. Non-US Samples Comparison)**

|  | **Performance Below Aspirations** | | | | | | **Performance Above Aspirations** | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Model 1: Full Model, Performance Below Aspirations, Complete Sample** | | | **Model 2: Full Model, Performance Below Aspirations, Non-US Sample** | | | **Model 3: Full Model, Performance Above Aspirations, Complete Sample** | | | **Model 4: Full Model, Performance Above Aspirations, Non-US Sample** | | |
| Variables | **b** | **SE** | **p** | **b** | **SE** | **p** | **b** | **SE** | **P** | **b** | **SE** | **p** |
| Publication Outlet | -0.014 | 0.009 | 0.124 | -0.005 | 0.008 | 0.491 | -0.026 | 0.009 | 0.003 | -0.023 | 0.010 | 0.021 |
| Publication Year | 0.017 | 0.009 | 0.072 | 0.036 | 0.009 | 0.000 | 0.040 | 0.011 | 0.000 | 0.032 | 0.010 | 0.001 |
| Private Firm | -0.003 | 0.011 | 0.822 | -0.008 | 0.011 | 0.466 | 0.007 | 0.010 | 0.463 | 0.013 | 0.010 | 0.200 |
| Long-Term Performance | 0.010 | 0.009 | 0.289 | 0.018 | 0.007 | 0.017 | -0.004 | 0.009 | 0.668 | -0.008 | 0.009 | 0.385 |
| Industry Category | 0.000 | 0.008 | 0.972 | 0.017 | 0.007 | 0.011 | 0.028 | 0.010 | 0.005 | -0.002 | 0.009 | 0.864 |
| Firm Size | 0.001 | 0.008 | 0.894 | 0.000 | 0.007 | 0.986 | 0.008 | 0.008 | 0.336 | 0.011 | 0.008 | 0.182 |
| Publication Data Collection | 0.016 | 0.010 | 0.096 | 0.024 | 0.009 | 0.006 | -0.013 | 0.011 | 0.235 | -0.005 | 0.010 | 0.622 |
| Uncertainty Avoidance | 0.014 | 0.008 | 0.091 | 0.011 | 0.007 | 0.125 | -0.029 | 0.008 | 0.001 | -0.028 | 0.009 | 0.001 |
| Future Orientation | 0.006 | 0.010 | 0.582 | 0.021 | 0.009 | 0.016 | 0.019 | 0.009 | 0.041 | 0.013 | 0.010 | 0.187 |
| Collectivism | -0.026 | 0.009 | 0.006 | -0.043 | 0.009 | 0.000 | 0.005 | 0.009 | 0.634 | 0.014 | 0.010 | 0.163 |
| Performance Orientation | -0.017 | 0.011 | 0.125 | -0.026 | 0.010 | 0.012 | -0.005 | 0.009 | 0.582 | -0.005 | 0.009 | 0.614 |
| K | 175 | | | 106 | | | 145 | | | 109 | | |
| R2 | 39.30% | | | 30.84% | | | 8.85% | | | 14.97% | | |
| QM (pq) | 20.584 (0.038) | | | 51.279 (0.000) | | | 56.971 (0.000) | | | 36.890 (0.000) | | |

Notes: Unstandardized estimates are reported. Number of data points (k), Q statistic with the overall moderation model with p values in parentheses (QM (pQ))

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1. In this paper we use the terms “national culture” and “culture” interchangeably. [↑](#footnote-ref-1)
2. Please see Appendix B for the frequency of countries within our meta-analytic sample, which demonstrates the recent internationalization trend in the PFT discourse. [↑](#footnote-ref-2)
3. We provide a detailed discussion of our sample in the Methodology section. [↑](#footnote-ref-3)
4. Geert Hofstede, scholar of social psychology and international business provided the most well-known framework for measuring culture. [↑](#footnote-ref-4)
5. Since performance below aspirations is negative, a negative relationship between performance below aspirations and strategic actions denotes an increase in strategic actions as performance decreases further below aspirations. [↑](#footnote-ref-5)
6. The GLOBE project is a unique large-scale study of cultural practices in 62 countries (House et al., 2004). https://globeproject.com/ [↑](#footnote-ref-6)
7. We did not restrict our search to a specific date, however we expected that we would not find any studies on organizational performance feedback theory before the publication of Cyert and March (1963). The beginning date of 1987 emerged from our search. [↑](#footnote-ref-7)
8. Following Aguinis et al. (2010b), we used trim-and-fill analyses to ensure that the file drawer problem would not influence our results. For more details on our trim-and-fill analyses, please refer to Section 5.4. Post-Hoc Analyses. [↑](#footnote-ref-8)
9. Before removing a study from our sample, we contacted its authors and asked for the missing information. The authors of two studies provided the missing information, allowing us to keep those two studies in our sample. [↑](#footnote-ref-9)
10. **Appendix A** lists the bibliographic information of all studies in our sample. [↑](#footnote-ref-10)
11. **Appendix B** presents the frequency of occurrence for each country and country clusters (serving as proxies for distinct cultures) in our sample. [↑](#footnote-ref-11)
12. While we report our results on uncorrected correlation coefficients, we also analyzed the differences between uncorrected and corrected results for our central results and present. We used the Olkin and Pratt (1958) and Fisher (1921) approaches for corrections. For all the effect sizes under consideration, the differences between uncorrected and corrected effects were not statistically significant. Please see the Post Hoc Analyses section for more information. [↑](#footnote-ref-12)
13. Please see the Hypotheses section (and Footnote 4) for an explanation of this negative relationship when performance is below aspirations. [↑](#footnote-ref-13)
14. Apart from Jirasek (2017) [↑](#footnote-ref-14)
15. Since cultural practices are prone to change over time, we also ran additional analyses that only included PFT studies from our sample that were published after House et al. (2002), i.e., the first comprehensive analysis of the GLOBE dimensions, was published. This process resulted in omitting four data points for performance below aspirations, and two data points for performance above aspirations. The results of these analyses are in line with our main analyses. These results are available from the authors upon request. [↑](#footnote-ref-15)
16. Results available from the authors upon request. [↑](#footnote-ref-16)
17. While our main analyses focus on the GLOBE framework of national culture, which is defined as the most relevant framework for research questions related to organizations and leadership among different frameworks of national culture (Taras et al., 2009), we ran additional analyses using Hofstede’s framework of national culture (Hofstede, 2001). We used uncertainty avoidance, long-term orientation, and individualism dimensions of Hofstede in these analyses. Our results were in line with our main results on the effects of different dimensions on organizational responses to performance below and above aspirations. These results are available from the authors upon request. [↑](#footnote-ref-17)