



# Chapter seven

## Leadership Across Cultures

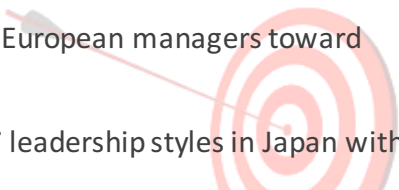
Instructor: Assoc. Prof. Dr. NGUYEN VIET KHOI  
Assoc. Prof. Dr. NGUYEN THI KIM ANH

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## CHAPTER OBJECTIVES

The specific chapter objectives are:

1. **DESCRIBE** the basic philosophic foundation and styles of managerial leadership
  2. **EXAMINE** the attitudes of European managers toward leadership practices
  3. **COMPARE** and **CONTRAST** leadership styles in Japan with those in the United States
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## SPECIFIC CHAPTER OBJECTIVES (CONTINUED):

4. **REVIEW** leadership approaches in China, the Middle East, and developing countries.
5. **EXAMINE** recent research and findings regarding leadership across cultures.
6. **DISCUSS** the relationship of culture clusters and leader behavior to effective leadership practices, including increasing calls for more responsible global leadership.

### ***Opening case:***

## **Global Leadership Development: An Emerging Need**

1. Why are firms enhancing global leadership development? Which problem relating leadership did Wamway face? How has Wamway done with this? .
2. What has Roche trained her employees? At what has Roche's leadership training and development program aimed? How does an each employee of Roche have to do?
3. Please introduce two manager development programs of Roche?
4. Explain how has Roche conducted the special global leadership development program in Switzerland?
5. Introduce some features of the Perspectives program?
6. Please point out what employees gained from Roche's training and development programs?
7. What are the key success of Roche's training program? How to define the effective global leadership?

## Leadership Foundations

Theories X, Y and Z (philosophical background):

- **Theory X:** A manager who believes that people are basically lazy and that coercion and threats of punishment often are necessary to get them to work.
- **Theory Y:** A manager who believes that under the right conditions people not only will work hard but will seek increased responsibility and challenge.
- **Theory Z:** A manager who believes that workers seek opportunities to participate in management and are motivated by teamwork and responsibility sharing.

## Topic for group presentation

1. Theoretical issues: pp.465-486
- 2 Case study: : PP. 490, 491

# Leadership Foundations

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## Managerial Beliefs about Work: Russia

**Table 13-2**  
**Russian Managerial Beliefs About Work**

### A. Humanistic Beliefs

Work can be made meaningful.  
One's job should give one a chance to try out new ideas.  
The workplace can be humanized.  
Work can be made satisfying.  
Work should allow for the use of human capabilities.  
Work can be a means of self-expression.  
Work should enable one to learn new things.  
Work can be organized to allow for human fulfillment.  
Work can be made interesting rather than boring.  
The job should be a source of new experiences.

### B. Organizational Beliefs

Survival of the group is very important in an organization.  
Working with a group is better than working alone.  
It is best to have a job as part of an organization where all work together even if you don't get individual credit.  
One should take an active part in all group affairs.  
The group is the most important entity in any organization.  
One's contribution to the group is the most important thing about one's work.  
Work is a means to foster group interests.

### C. Work Ethic

Only those who depend on themselves get ahead in life.  
To be superior a person must stand alone.  
A person can learn better on the job by striking out boldly on his own than by following the advice of others.  
One must avoid dependence on other persons whenever possible.  
One should live one's life independent of others as much as possible.

Notes: 1. Response scales ranged from 1 (strongly disagree) to 5 (strongly agree).  
2. R denotes reverse-scoring items.

3. The 45-individual items contained in the 6 belief clusters were presented to respondents in a mixed fashion, rather than categorized by cluster as shown above.  
4. Participation was a subset of Marxist-related values in Buchholz's original study, but was made a separate cluster in his later work.

Source: Adapted from Sheila M. Puffer, Daniel J. McCarthy, and Alexander I. Naumov, "Russian Managers' Beliefs About Work: Beyond the Stereotypes," *Journal of World Business* 32, no. 3 (1997), p. 262.

## Managerial Beliefs about Work: Russia

**Table 13-2**  
**Russian Managerial Beliefs About Work**

**D. Beliefs About Participation in Managerial Decisions**

The working classes should have more say in running society.  
Factories would be better run if workers had more of a say in management.  
Workers should be more active in making decisions about products, financing, and capital investment.  
Workers should be represented on the board of directors of companies.

**E. Leisure Ethic**

The trend toward more leisure is not a good thing. (R)  
More leisure time is good for people.  
Increased leisure time is bad for society. (R)  
Leisure-time activities are more interesting than work.  
The present trend toward a shorter workweek is to be encouraged.

**F. Marxist-Related Beliefs**

The free-enterprise system mainly benefits the rich and powerful.  
The rich do not make much of a contribution to society.  
Workers get their fair share of the economic rewards of society. (R)  
The work of the laboring classes is exploited by the rich for their own benefit.  
Wealthy people carry their fair share of the burdens of life in this country. (R)  
The most important work is done by the laboring classes.

*Notes:* 1. Response scales ranged from 1 (strongly disagree) to 5 (strongly agree).  
2. R denotes reverse-scoring items.

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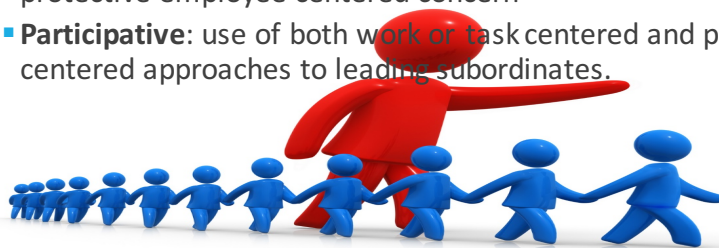
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## Leadership Foundations

### Leadership Behaviors and Styles:

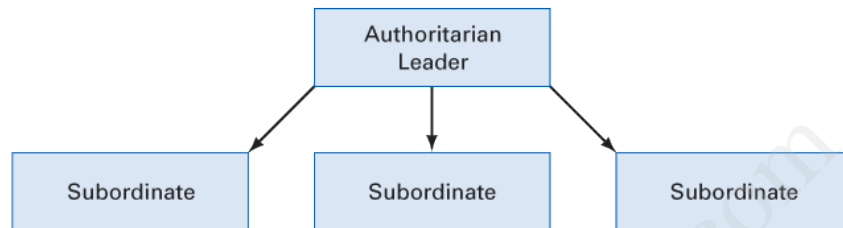
- **Authoritarian:** use of work-centered behavior designed to ensure task accomplishment.
- **Paternalistic:** use of work-centered behavior coupled with protective employee centered concern
- **Participative:** use of both work or task centered and people centered approaches to leading subordinates.



# LEADERSHIP FOUNDATIONS

**Figure 13-1**

**Leader-Subordinate Interactions**



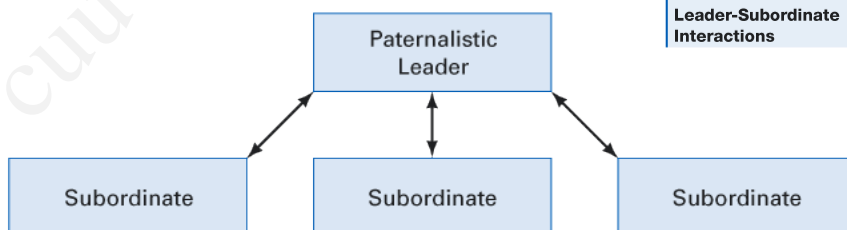
One-way downward flow of information and influence from authoritarian leader to subordinates.

Source: Adapted from Richard M. Hodgetts, *Modern Human Relations at Work*, 8th ed. (Ft. Worth, TX: Harcourt, 2002), p. 264.

# LEADERSHIP FOUNDATIONS

**Figure 13-1**

**Leader-Subordinate Interactions**



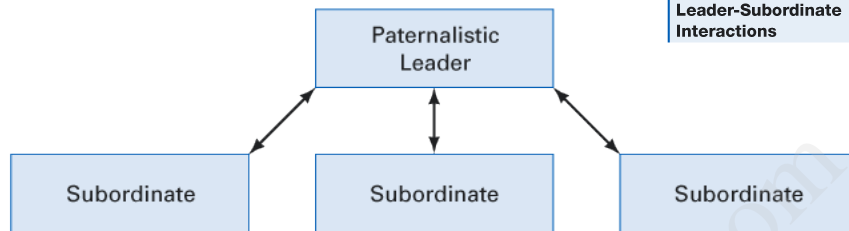
Continual interaction and exchange of information and influence between leader and subordinates.

Source: Adapted from Richard M. Hodgetts, *Modern Human Relations at Work*, 8th ed. (Ft. Worth, TX: Harcourt, 2002), p. 264.

# LEADERSHIP FOUNDATIONS

Figure 13-1

Leader-Subordinate Interactions



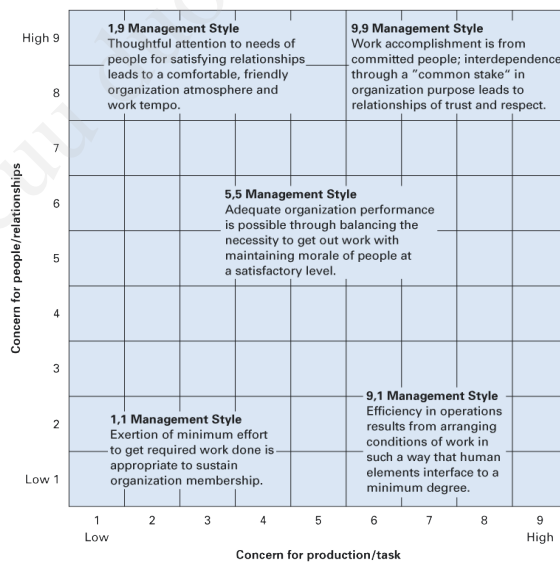
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# LEADERSHIP FOUNDATIONS

Figure 13-2

The Managerial Grid



Source: Adapted from Robert S. Blake and Jane S. Mouton, "Managerial Facades," *Advanced Management Journal*, July 1966, p. 81.

## LEADERSHIP IN THE INTERNATIONAL CONTEXT

**How leaders in other countries attempt to direct or influence their subordinates?**

### **International approaches to leadership**

Research shows there are both similarities and differences. Most international research has focused upon Europe, East Asia, the Middle East, and developing countries such as India, Peru, Chile, and Argentina.

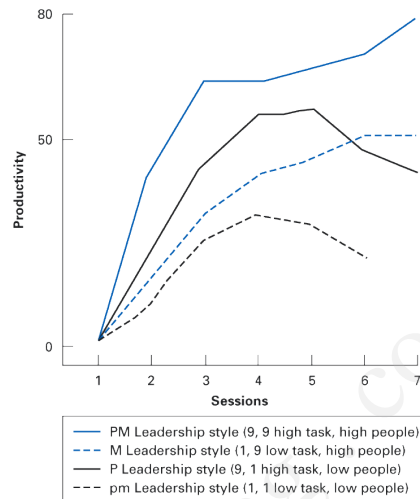
## LEADERSHIP IN THE INTERNATIONAL CONTEXT

- European managers tend to use a participative approach.
- Researchers investigated four areas relevant to leadership:
  1. Capacity for leadership and initiative (Theory X vs. Theory Y)
  2. Sharing information and objectives: general vs. detailed, completed instructions for subordinates.
  3. Participation: leadership support for participative leadership
  4. Internal control: leader control through external vs. internal means



## COUNTRY CLUSTERS

**Figure 13-3**  
Productivity of Japanese Groups with High-Achievement Motivation under Different Leadership Styles



Source: Reprinted from "Effects of Achievement Motivation on the Effectiveness of Leadership Patterns," by Jyuji Misumi and Fumiyasu Seki published in Volume 16, No. 1, March 1971 of *Administrative Science Quarterly*. Copyright © Johnson Graduate School of Management, Cornell University.

## LEADERSHIP IN THE INTERNATIONAL CONTEXT

The role of level, size, and age on European managers' attitudes toward leadership:

- Higher level managers tend to express more democratic values than lower-level managers in some countries; in other countries the opposite is true.
- Company size tends to influence the degree of participative-autocratic attitudes
- Younger managers were more likely to have democratic values in leadership and initiative, information sharing and objectives

## LEADERSHIP IN THE INTERNATIONAL CONTEXT

### European Leadership Practices - Conclusion

- Most European managers tend to reflect more participative and democratic attitudes
- Organizational level, company size, and age greatly influence attitudes toward leadership
- Many young people from the study are now middle-aged-European managers who are highly likely to be more participative than their older counterparts of the 1960s and 1970s.

## LEADERSHIP IN THE INTERNATIONAL CONTEXT: JAPANESE

Japan is well known for its paternalistic approach to leadership

Japanese culture promotes a high safety or security need, which is present among home country-based employees as well as MNC expatriates

Japanese managers have much greater belief in the capacity of subordinates for leadership and initiative than do managers in most other countries. Only managers in Anglo-American countries had stronger feelings in this area

## International Leadership: Japanese vs. American

Except for internal control, large U.S. firms tend to be more democratic than small ones; profile is quite different in Japan.

Younger U.S. managers express more democratic attitudes than their older counterparts on all four leadership dimensions

Japanese and U.S. managers have different philosophies of managing people. Ouchi's Theory Z combines Japanese and U.S. assumptions and approaches.

## International Leadership: Japanese vs. American

How senior managers process information and learn:

- **Variety amplification:** Japanese executives are taught and tend to use variety amplification—the creation of uncertainty and the analysis of many alternatives regarding future action.
- **Variety reduction:** U.S. executives tend to use variety reduction—limiting uncertainty and focusing action on a limited number of alternatives.

## Leadership in China

The “New Generation” group scored significantly higher on individualism than did the current and older generation groups

They also scored significantly lower than the other two groups on collectivism and Confucianism

These values appear to reflect the period of relative openness and freedom, often called the “Social Reform Era,” in which these new managers grew up

They have had greater exposure to Western societal influences may result in leadership styles similar to those of Western managers

## Leadership in the Middle East

There may be much greater similarity between **Middle Eastern** leadership styles and those of **Western** countries

Western management practices are evident in the Arabian Gulf region due to close business ties between the West and this oil-rich area as well as the increasing educational attainment, often in Western universities, of Middle Eastern managers

Organizational culture, level of technology, level of education, and management responsibility were good predictors of decision-making styles in the United Arab Emirates

There is a tendency toward participative leadership styles among young Arab middle managers, as well as among highly educated managers of all ages

## Leadership in Other Developing Countries

Managerial attitudes in India are similar to Anglo-Americans toward capacity for leadership and initiative, participation, and internal control, but different in sharing information and objectives

Leadership styles in Peru may be much closer to those in the United States than previously assumed

Developing countries may be moving toward a more participative leadership style

## RECENT LEADERSHIP FINDINGS: TRANSFORMATIONAL, TRANSACTIONAL, CHARISMATIC

### Transformational leaders:

**Source of charisma; enjoy admiration of followers**

**Idealized influence:** Enhance pride, loyalty, and confidence in their people; align followers by providing common purpose or vision that the latter willingly accept

**Inspirational motivation:** Extremely effective in articulating vision, mission, beliefs in clear-cut ways

**Intellectual stimulation:** able to get followers to question old paradigms and accept new views of world

**Individualized consideration:** able to diagnose and elevate needs of each follower in way that furthers each one's development

RECENT FINDINGS:  
TRANSFORMATIONAL, TRANSACTIONAL, CHARISMATIC

**Four other types of leadership are less effective than transformational:**

- **Contingent Reward:** clarifies what needs to be done; provides psychic and material rewards to those who comply
- **Active Management-by-Exception:** monitors follower performance and takes corrective action when deviations from standards occur
- **Passive Management-by-Exception:** intervenes in situations only when standards are met
- **Laissez-Faire:** avoids intervening or accepting responsibility for follower actions

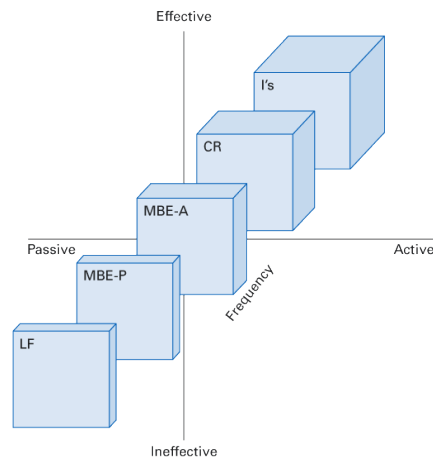
## MIDDLE EASTERN VS. WESTERN MANAGEMENT

**Table 13-5**  
**Differences in Middle Eastern and Western Management**

Management Dimensions	Middle Eastern Management	Western Management
Leadership	Highly authoritarian tone, rigid instructions. Too many management directives.	Less emphasis on leader's personality, considerable weight on leader's style and performance.
Organizational structures	Highly bureaucratic, overcentralized, with power and authority at the top. Vague relationships. Ambiguous and unpredictable organization environments.	Less bureaucratic, more delegation of authority. Relatively decentralized structure.
Decision making	Ad hoc planning, decisions made at the highest level of management. Unwillingness to take high risk inherent in decision making.	Sophisticated planning techniques, modern tools of decision making, elaborate management information systems.
Performance evaluation and control	Informal control mechanisms, routine checks on performance. Lack of vigorous performance evaluation systems.	Fairly advanced control systems focusing on cost reduction and organizational effectiveness.
Personnel policies	Heavy reliance on personal contacts and getting individuals from the "right social origin" to fill major positions.	Sound personnel management policies. Candidates' qualifications are usually the basis for selection decisions.
Communication	The tone depends on the communicants. Social position, power, and family influence are ever-present factors. Chain of command must be followed rigidly. People relate to each other tightly and specifically. Friendships are intense and binding.	Stress usually on equality and a minimization of difference. People relate to each other loosely and generally. Friendships not intense and binding.

Source: From M. K. Badawy, "Styles of Mid-Eastern Managers," *California Management Review*, Spring 1980. Copyright © 1980, by The Regents of the University of California. Reprinted from the *California Management Review*, Vol. 22, No. 3. By permission of the Regents. All rights reserved. This article is for personal viewing by individuals accessing this site. It is not to be copied, reproduced, or otherwise disseminated without written permission from the California Management Review. By viewing this document, you hereby agree to these terms. For permission or reprints, contact: cmr@haas.berkeley.edu.

# Universal Leader Behaviors



**Figure 13-5**  
An Optimal Profile of  
Universal Leadership  
Behaviors

Source: Adapted from Bernard M. Bass, "Is There Universality in the Full Range Model of Leadership?" *International Journal of Public Administration* 16, no. 6 (1996), p. 738.

## QUALITIES MOST DEMANDED IN EUROPEAN EXECUTIVES:

**Table 13-6**  
Qualities Most Demanded in Advertisements for European Executives

Quality	Sweden (n = 225)	Denmark (n = 175)	Norway (n = 173)	Germany (n = 190)
Ability to cooperate (interpersonal ability)	25	42	32	16
Independence	22	22	25	9
Leadership ability	22		16	17
Ability to take initiatives	22	12	16	
Aim and result orientation	19	10	42	
Ability to motivate and inspire others	16	11		
Business orientation	12			
Age	10	25		13
Extrovert personality/contact ability	10	8	12	11
Creativity	9	10	9	9
Customer ability	9			
Analytic ability		10		
Ability to communicate		12	15	
High level of energy/drive			12	
Enthusiasm and involvement			14	14
Organization skills				7
Team builder				
Self-motivated				
Flexibility				
Precision				
Dynamic personality				
Responsibility				

Note: The qualities most demanded in Swedish, Danish, Norwegian, German, British, French, Italian, and Spanish advertisements for executives are expressed in percentage terms. *n* = total number of advertisements analyzed in each country. Each entry represents the percentage of the total advertisements requesting each quality.

Source: Adapted from Ingrid Tollgerdt-Andersson, "Attitudes, Values and Demands on Leadership—A Cultural Comparison Among Some European Countries," in *Managing Across Cultures*, ed. Pat Joynt and Malcolm Warner (London: International Thomson Business Press, 1996), p. 173.

## CULTURE CLUSTERS AND LEADERSHIP EFFECTIVENESS

### Important attributes that form a concept of outstanding business leader.

- Anglo managers identify performance orientation, an inspirational style, having a vision, being a team integrator, and being decisive as being the top five attributes
- Nordic managers ranked these same five attributes as most important but not in same order
- Rankings of clusters in the North/West European region were fairly similar
- Substantial differences exist within and between the South/East European countries, countries from Eastern Europe, and Russia and Georgia

## RANKINGS OF LEADERSHIP ATTRIBUTES

**Table 13-7**  
**Rankings of the Most Important Leadership Attributes by Region and Country Cluster**

North/West European Region				
Anglo Culture (Great Britain, Ireland)	Nordic Culture (Sweden, Netherlands, Finland, Denmark)	Germanic Culture (Switzerland, Germany, Austria)	Czech Republic	France
Performance-oriented	Integrity	Integrity	Integrity	Participative
Inspirational	Inspirational	Inspirational	Performance-oriented	Nonautocratic
Visionary	Visionary	Performance-oriented	Administratively skilled	
Team integrator	Team integrator	Nonautocratic	Inspirational	
Decisive	Performance-oriented	Visionary	Nonautocratic	
South/East European Region				
Latin Culture (Italy, Spain, Portugal, Hungary)	Central Culture (Poland, Slovenia)	Near East Culture (Turkey, Greece)	Russia	Georgia
Team integrator	Team integrator	Team integrator	Visionary	Administratively skilled
Performance-oriented	Visionary	Decisive	Administratively skilled	Decisive
Inspirational	Administratively skilled	Visionary	Inspirational	Performance-oriented
Integrity	Diplomatic	Integrity	Decisive	Visionary
Visionary	Decisive	Inspirational	Integrity	Integrity

Source: Adapted from Felix C. Brodbeck et al., "Cultural Variation of Leadership Prototypes Across 22 European Countries," *Journal of Occupational and Organizational Psychology* 73 (2000), p. 15.



## RECENT FINDINGS

Leader Behavior, Leader Effectiveness, and Leading Teams:

One of the keys to successful global leadership is knowing what style and behavior works best in a given culture and adapting appropriately

- In **affective cultures**, such as the United States, leaders tend to exhibit their emotions
- In **neutral cultures**, such as Japan and China, leaders do not tend to show their emotions

## Doing Business in Affective and Neutral Countries: Leadership Tips

**Table 13-8**  
**Leadership Tips for Doing Business in Affective and Neutral Cultures**

When Managing or Being Managed in . . .	
Affective Cultures	Neutral Cultures
Avoid a detached, ambiguous, and cool demeanor because this will be interpreted as negative behavior.	Avoid warm, excessive, or enthusiastic behaviors because these will be interpreted as a lack of personal control over one's feelings and be viewed as inconsistent with one's high status.
Find out whose work and enthusiasm are being directed into which projects, so you are able to appreciate the vigor and commitment they have for these efforts.	Extensively prepare the things you have to do and then stick tenaciously to the issues.
Let people be emotional without personally becoming intimidated or coerced by their behavior.	Look for cues regarding whether people are pleased or angry and then amplify their importance.
Source: Adapted from Fons Trompenaars and Charles Hampden-Turner, <i>Riding the Waves of Culture: Understanding Diversity in Global Business</i> , 2nd ed. (New York: McGraw-Hill, 1998), pp. 80-82.	

## Cross-Cultural Comparison

**Figure 13-6**

**Cross-Country  
Comparison: Future  
Orientation and  
Competitiveness**



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## POSITIVE ORGANIZATIONAL SCHOLARSHIP AND LEADERSHIP

### **Positive Organizational Scholarship (POS):**

- Method that focuses on positive outcomes, processes, and attributes of organizations and their members.
- Relates to leadership in that POS recognizes positive potential that people have within.
- Effective leaders seem to live by POS as constantly innovate, create relationships, strive to bring organization to new heights, and work for greater global good through self improvement.

### **Consists of three sub-units:**

- Enablers: could be capabilities, processes or methods, and structure of the environment, which are all external factors.
- Motivations: focus is inward (such as unselfish or altruistic).
- Outcomes or effects: accentuate vitality, meaningfulness, high-quality relationships.

## AUTHENTIC LEADERSHIP

Authentic leaders defined by an all encompassing package of traits, styles, behaviors, and credits.

### 4 Distinct Characteristics:

- (1) do not fake actions; true to selves, do not adhere to external expectations.
- (2) driven from internal forces not external rewards.
- (3) unique and guide based on personal beliefs, not others' orders.
- (4) act based on individual passion and values.

Authentic leadership similar to traditional leadership, but has higher awareness; authentic leadership can create a better understanding within the organization.

## Cross-Cultural Leadership: Six Insights from the GLOBE Study

**Charismatic/Value Based:** captures ability of leaders to inspire, motivate, encourage high performance outcomes from others based on foundation of core values

**Team-oriented:** emphasis on effective team building and implementation of common goal among team members

**Participative:** extent to which leaders involve others in decisions and decision implementation

## CROSS-CULTURAL LEADERSHIP: SIX INSIGHTS FROM THE GLOBE STUDY

**Humane-oriented:** comprises supportive and considerate leadership

**Autonomous:** independent and individualistic leadership behaviors

**Self-protective:** ensures safety and security of individual and group through status enhancement and face-saving

## ETHICALLY RESPONSIBLE GLOBAL LEADERSHIP

Linking leadership and corporate responsibility  
through responsible global leadership

- Values Based Leadership
- Ethical Decision Making
- Quality Stakeholder Relationships

## REVIEW AND DISCUSS

- What cultures would be the most likely to perceive differences between managerial and leadership duties? What cultures would view them as the same? Use evidence to support your answer.
- Is there any relationship between company size and European managers' attitude toward participative leadership styles?
- What do U.S. managers need to know about leadership in the international arena? Identify and describe three important guidelines that can be of practical value.

