

Effective Leadership in Cross-Cultural Situations

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Abstract

Culturally apt leadership styles have become a new-age phenomenon of relevance in today's society, where globalisation has become the norm. This paper endeavours to dissect a plethora of leadership styles, and the benefits and challenges associated with their implementation within a culturally diverse workforce for managers, organisations and governments. This paper highlights three main forms of leadership style's that can be adapted to suit, transformational/charismatic and value based, team-orientated and participative leadership. The main finding is that transformative leadership, whereby leaders are charismatic and inspire change within their employees was found to be the most effective form to employ. We see that team-orientated leadership requires an administratively adept leader who encourages completion of goals through group participation. This form, although promising does not inspire a heightened sense of cultural cohesiveness. Participative leadership requires employee's to participate in decision-making, which may not be practically applicable in all work environments.

Keywords

Cross-Cultural Leadership, Analysis and Discussion

I. Introduction

Leadership is no longer a simple phenomenon related to the management of human resources. With increasing diversity and intercultural settings at the workplace, many leaders have to juggle between their standard organisational roles and cultural adaptations that need to be done considering the level of employees' variety.

While traditional authoritarian attitude may fail to keep up employees' morale, participative approaches might make it difficult for a leader to accommodate differing views into decision-making. Succinctly, leadership, in the world of fast-paced globalisation, is like walking a tightrope.

As globalisation has mingled people across cultures and nationalities, leaders must possess the acumen to understand the relationship between culture and leadership. Additionally, the ability to implement the same in a given work scenario is a must-have component.

There are various styles of leadership but choosing the one or a suitable combination is a matter of concern. This paper discusses cross-cultural leadership in detail so as to develop a holistic understanding of the issue. Additionally, we have delved deeper into the pace of globalisation and spotlighted how it has changed the working of leaders, businesses, and governments. The detailed discussion will assist leaders and managers in comprehending underlying theoretical concepts and apply the same for efficient management.

A. Cross-Cultural Leadership

The 21st-century business landscape is characterised by globalisation

and diversity; intermingling workforce has necessitated that leaders possess the ability to manage the culturally diverse workforce effectively. They must be culturally intelligent to understand the basic variations in work ethics, behaviours, communication styles, and the way of managing interpersonal relationships (Rockstuhl, Seiler and Ang).

For instance, employees in high-context nations including Japan, South Korea, and China tend to rely on non-verbal gestures. Conversely, people from low-context countries including Germany and Great Britain prefer to communicate directly (Samovar, Porter and McDaniel). These dissimilarities make it a challenge for leaders to perform with culturally different members. For example, a manager from Germany might find it hard to communicate with employees in Japan or so if he/she does not possess intercultural communication skills.

Succinctly, leadership in a cross-cultural scenario is a challenge, and it is difficult to mention any single leadership style that suits the most. Still, further sections of this paper have explored the eligibility of various leadership approaches to fit in that atmosphere.

B. Examining the Effectiveness of Transformational Leadership in Cross-Cultural Ambiance

Researchers, over the years, have boiled down some fundamental leadership styles that churn out the best of managing in intercultural settings. First among them is transformational/charismatic and value based leadership (Kumar and Anjum). Transformational leaders have the aptitude to inspire and motivate followers, not from the exercise of any authority but the very dint of their personality. It is the reason that some scholars, including Bass, have hypothesized about its universal effectiveness across cultures (Bass).

Overall results found in one of the most noteworthy GLOBE studies have also supported the importance of transformational/charismatic leadership across cultures. Around 61 cultures, in GLOBE research project, have universally endorsed its features including "encouraging", "motivating", "confidence building", "dynamic", "foresight", and "excellence oriented" (House, Hanges and Dorfman). It is a massive support substantiating the usefulness of the transformational approach.

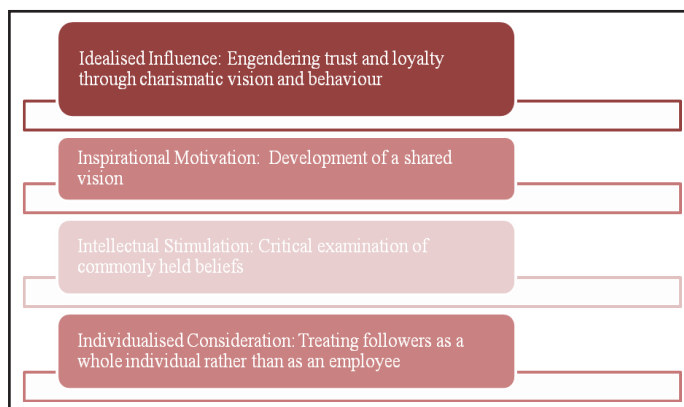
A cross-cultural study conducted by Tsui and colleagues revealed that the impact of charismatic behaviour was universally positive for five cultures (Tsui, Ashford and Xin). Likewise, results from Jung and Lee (2009) also supported the universal characteristic of a transformational leadership approach.

However, certain studies have disputed its universal relevance citing crucial characteristics that can impact its applicability. Stajkovic, Carpenter, and Graffin (2005) collected data from managers of two different nations, the US (an individualistic country) and China (a collectivist culture). The data revealed that the cultural factor duly

moderated the correlation between social network extensiveness and transformational leadership.

Not only national cultures but the impact was also to be seen with various types of organizational cultures. It may be the reason people argued that Carly Fiorina might have been too flashy for a conservation culture of Hewlett-Packard (Cowley and Rhode). These factors do signify that transformational leadership varies with culture (organizational and national) and question its universal significance.

Discerning between adaptive and non-adaptive cultures, Kotter and Heskett (1992) have opined that adaptive cultures are likely to embrace innovations, risk-taking, and frankness; as such, they are more amenable to this style of leadership than their non-adaptive counterparts. Support to Kotter is a study conducted by Pillai, Sundra and Williams (1997) mentioning that it did not result in effectiveness in India, and Middle East nations (Pillai, Scandura and Williams) because of cultural non-receptiveness to a transformational style.



Source: (Gelfand, Erez and Aycan)

Fig. 1: This Figure Highlights Dimensions of a Transformational Leadership Style.

Succinctly, there are conflicting opinions about the usability of a transformational approach in cross-cultural settings. Still, there are few studies that have negated the applicability of transformational leadership across cultures against the many that have backed it.

Spreitzer is apt in mentioning that though the effectiveness of transformational leadership holds good irrespective of the cultural variations, the level of effectiveness may not be the same everywhere (Spreitzer). He identified a weak link between traditional cultures and effectiveness of transformational leadership. Conversely, cultures with less traditional values were found to be more receptive to charismatic leadership. This means that there may be some nationalities that embrace it more energetically than their counterparts. Considering this opinion with the views of Kotter, it is plausible to assume that the leadership style is effective, to different levels, in various cultures.

These studies, barring a few, do emphasize the importance of transformational leadership in diverse places. Though it is hard to assert its application in all cultural components equally, there are many cultures (GLOBE study identified 61) that have been identified to be receptive to this leadership style to an extent. This implies its significance in a cross-cultural working environment.

C. Team-Oriented Leadership

Team-oriented leadership assumes an administratively competent leader who emphasizes the accomplishment of a common purpose and goals diplomatically.



Source: (Northouse)

Fig. 2: This Figure Illustrates the Varying Aspects of Team Leadership

According to the country-level ratings given by GLOBE researchers, Southern Asia, Eastern Europe, and Latin America reported team orientation to be critical for leadership effectiveness. Likewise, a cross-cultural study conducted by Bohlenke and Colleagues (2003) spotlighted that team-building was notably embraced in South-European and American regions. Conversely, Eastern regions valued it less. These results though are meandering considering the individualistic societies of West and collectivist cultures of the East. Analysts have speculated that it may be because of the entrenched nature of teamwork in Eastern cultures that researchers failed to mention it separately. In other words, team sense is so entrenched in collectivist cultures of Eastern nations that it may not turn up as a separate component to be noticed.

In substance, views regarding the effectiveness of team-oriented leadership cross-culturally are conflicting. Results from 2004 GLOBE studies revealed that team orientation was less significant in Germanic clusters and was low in Middle East countries. Paris and Colleagues examined team orientation with the perspective of gender in 2009. They emphasized that females embraced it more than male counterparts at the workplace. However, these gender-specific differences were found to be less prevalent in the US than in Hong Kong or other nations (Robert J House).

Almost all studies on team leadership and effectiveness concluded its positive impact in collectivist cultures while asserting the negative correlation in culturally individualistic societies (Gelfand, Erez and Aycan).

Despite conflicting opinions and a few results signifying the irrelevance of team orientation in some cultures, we assert that this form of leadership is quite worthy given the present day business scenario. The primary reason is the advent of team-based work structures in the contemporary world. The complexity of the task might make it difficult for managers to rely on an individual for successful accomplishment. As such, developing team cohesiveness is considered one important aspect among prominent leadership roles.

Secondly, team-oriented leadership practically fosters mutual understanding and lessens the possibility of cultural conflicts in an organisation. If the leader manages the team well and addresses their grievances neutrally, there are good chances that employees will understand each other's concerns leading to high job performance.

Last but not least, the GLOBE project has affirmed that team-oriented attributes have been seen significant worldwide as a mark of leadership effectiveness (House, Hanges and Dorfman). Though researchers have not garnered a unanimous theoretical support in individualistic cultures, it has a substantial practical applicability in modern task structures.

D. Insights on Other Leadership Styles

Among the aforementioned leadership styles there are other styles of relevance including participative leadership, supportive leadership, servant leadership, and humane-oriented leadership.

1. Participative Leadership

The cross-cultural study conducted by Haire and colleagues strikingly disclosed that while managers from almost all nations espoused participative leadership, they sounded small when it came to discussing the subordinates' capability to take part in decision-making (Robert J House).

Findings of GLOBE 2004 are comparable with this result; the research revealed that a participative leadership style, though, was considered suitable by managers from all major cultures, its contribution to effective leadership varied across cultures.

A direct corollary of these views is that participative leadership, in itself, is effective in cross-cultural settings. However, its functionality may reduce if subordinates do not have the required potential to take part in decision-making. Nevertheless, considering this limitation as more of an organisational issue than a cultural matter, it can be well assumed that participative style is effective cross-culturally, provided staff is efficient enough to participate.

2. Supportive and Humane-oriented Leadership

Latest cross-cultural studies do support the previous findings of Dorfman and colleagues that supportive leadership is positively related to job satisfaction of employees as well as supervisors worldwide (Dorfman, Javidan and House). A supportive leader shows due importance to its workers' matters, and results highlighting its universal applicability should not come as a surprise.

Conversely, researchers found sharp cultural variations in backing humane-oriented leadership. Clusters supporting this form were Sub-Saharan Africa, Southern Asia, and Confucian Asia. In contrast, Germanic, Nordic European, and Latin European groups did not find it particularly useful. Inconsistent with the traditional notion that females are more considerate than men, the findings revealed that men and women from 27 countries rated it as a weak form of outstanding leadership (House, Hanges and Dorfman).

II. Analysis and Discussion

A deeper look at these perspectives and opinions reveals the suitability of transformational and charismatic leadership in cross-cultural settings. The reason for universality flows from the relevant constructs including inspiration, motivation,

and job satisfaction. Research has endorsed the importance of employees' motivation in leadership styles. Moreso, employees, irrespective of their cultural backgrounds, may prefer a leader with charismatic personality that automatically inspires followers to perform better.

Nevertheless, scholars including Spreitzer and Kotter have aptly pinpointed that its efficacy may not be the same for all cultures. Traditional cultures may prove less receptive to it than their non-traditional counterparts. These views, though, do not negate its usefulness. They have only pinpointed that the level of success may vary with cultural variations.

Other leadership styles that have been considered useful in a cross-cultural setting are team-oriented leadership and participative leadership. Though team orientation has less backing theoretically, practical implementation of this style is relatively high. With growing task complexities and organisational structures, global organisations can hardly afford to avoid teamwork that makes this leadership style particularly relevant irrespective of cultural settings.

Transformational/charismatic leadership
Team-oriented leadership
Participative leadership

Fig. 3: This Figure Depicts Three of the Main Leadership Styles Shown to be Most Effective Cross-Culturally.

The usefulness of participative leadership is also beyond question as employees' participation has been linked positively to job satisfaction, employee morale and employees' engagement. The limiting construct is employees' potential to take part in decision making. This leadership style, though endorsed by managers of almost all nations, nearly renders ineffective if subordinates' don't have the potential to offer valuable ideas.

Succinctly, there is no leadership style that perfectly matches to cross-cultural requirements. Rather, a leader needs to extract and utilise relevant features from various styles to prove effective in cross-cultural settings. The fundamental tenant of appropriate cross-cultural leadership is effective intercultural communication. A leader must be adaptive to local communication styles to ensure a lasting impact on followers. There are many examples of communication blunders that have blighted the organisational success in across-cultural environment. For example, American managers were shocked when they identified that the term they were using for "cooking the oil" in Latin America translated into Spanish as "Jackass oil". Likewise, an advertisement used by Proctor and Gamble (husband entering the bathroom and touching his wife) in Japan was considered a breach of privacy (Maude).

There are many other instances reflecting the importance of communication in cross-cultural settings. As different leadership styles do not exclusively discuss communication, a leader must be careful while dealing with employees from different nations and cultural backgrounds. It is a must-have characteristic of effective personnel management irrespective of the leadership style he/she adopts.

In short, organisations need global leadership capacities as many have admitted that failure to do so has negatively impacted their international business operations. The examples provided above are just a tip of the iceberg. Companies can face greater repercussions

if leaders do not pay due heed to intermingling cultural values and diversity at the workplace. One of the best approaches, thus, is making balance between standardised leadership styles while accommodating local variations to the required extent.

Cultural intelligence is an important construct in global leadership. Though global leadership has not been unanimously defined, it clearly entails a neutral approach and acumen to dealing with a diverse workforce. Leaders must be aware of various business contexts and able to identify and exploit present opportunities. They may face a challenge in managing virtual teams across geographical boundaries as contradictory thoughts may crop up in ambiguous situations. The potential for dealing with complex situations in global work environments is one of the fundamental tenets of working in a newly globalised market.

Similar is the case with large businesses and governments. While organisations need to make a balance between the level of adaptation and standardisation, governments must cross-check policies and procedures to suit the pace of globalisation. If opening up their protected markets for competitive investments may worry governments in developing countries, the developed world may bear the brunt of restricting imports from developing nations for one reason or another. As there is no one pill for all issues flowing from globalization, governments can act keeping in view the strength of internal markets, the potential of external markets, and underlying threats and opportunities.

Culturally too, governments possess an onus to take care of people from different nations whilst crafting any policy decisions. The issues that arose after banning religious symbols in the UK and other nations are well-known. So, it is a tightrope walk for governments, and they can succeed only if they act after judging the repercussions of any particular decision or action.

Organisations can achieve success in international markets by taking care of local tastes while resorting to standard production and selling approaches. Localisation is mainly required in communication as it reflects an important aspect of culture. As discussed by citing some examples, miscommunication may trigger grave organisational issues leading to the failure of overall business strategy. As such, it is imperative on the part of organisations to take due care of intercultural communication while dealing in international markets.

III. Conclusion

The authors have discussed different leadership styles from the perspective of cross-cultural settings. Referring to GLOBE research and other scholarly articles, it has been concluded that transformational leadership is one of the most effective styles that can suit in an intercultural workplace environment. Relevant constructs of this leadership are motivation, appreciation, employee engagement and inspiration. Different studies have hinted at the importance of charismatic personality that transformational leaders possess in stimulating the followers automatically towards better work, irrespective of their cultural backgrounds.

Team-oriented leadership is also effective, though not to the extent of charismatic leadership. The reason for its growing importance is the emphasis on collaborative work because of increasing work complexity. Despite studies depicting its variable effectiveness in a different culture, team-orientation, as we feel, is one of the

requisites of present day leadership. Not only does it help bind a diverse workforce together but also assists in the expeditious completion of tasks.

Finally, studies have endorsed a participative form as useful in cross-cultural settings provided the subordinates have the potential to take part in crucial decision-making. Almost all managers have highlighted its effectiveness in dealing with employees. Nevertheless, this style is hamstrung because of the dependence on employees' potential that can negatively impact its practical applicability.

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