

**SUSTAINABLE ENTREPRENEURSHIP PROJECT**

# Leadership: A Global Survey of Theory and Research

**SUSTAINABLE ENTREPRENEURSHIP PROJECT  
RESEARCH PAPER SERIES**

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## **Leadership: A Global Survey of Theory and Research**

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The Sustainable Entrepreneurship Project ([www.seproject.org](http://www.seproject.org)) engages in and promotes research, education and training activities relating to entrepreneurial ventures launched with the aspiration to create sustainable enterprises that achieve significant growth in scale and value creation through the development of innovative products or services which form the basis for a successful international business. In furtherance of its mission the Project is involved in the preparation and distribution of Libraries of Resources for Sustainable Entrepreneurs covering Entrepreneurship, Leadership, Management, Organizational Design, Organizational Culture, Strategic Planning, Governance, Corporate Social Responsibility, Compliance and Risk Management, Finance, Human Resources, Product Development and Commercialization, Technology Management, Globalization, and Managing Growth and Change.

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**PART II PRACTICING LEADERSHIP**

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The Sustainable Entrepreneurship Project ([www.seproject.org](http://www.seproject.org)) also prepares and distributes other Libraries of Resources for Sustainable Entrepreneurs covering Entrepreneurship, Management, Organizational Design, Organizational Culture, Strategic Planning, Governance, Corporate Social Responsibility, Compliance and Risk Management, Finance, Human Resources, Product Development and Commercialization, Technology Management, Globalization, and Managing Growth and Change.

## §1:1 Introduction

Leadership is a universal phenomenon that has preoccupied scholars, politicians and others for centuries.<sup>1</sup> Zagoršek observed: “. . . the simultaneous appearance of social institutions such as government, organized religion, and a significant role for individual leaders argues that there may well be something about people in complex organizations that provides a social value in having ‘leaders’—they arise to fulfill a basic social function.”<sup>2</sup> In the management context, leadership has been consistently identified as playing a critical role in the success or failure of organizations and some surveys have pegged up to 45% of an organization’s performance on the quality and effectiveness of its leadership team.<sup>3</sup> Apart from organizational performance, researchers have consistently found a strong correlation between leadership styles and behaviors and the job satisfaction and performance of subordinates.<sup>4</sup>

The ongoing and extensive study of leadership and the ways in which leaders and their subordinates, often referred to as “followers”, have led to the advancement of a number of theories and models. For example, “trait” and “behavior” theories emphasize the personal characteristics of the leader. The leader’s use of power and position to influence the actions of his or her followers is the focus of “power and influence” theory. Researchers using “contingency” and “contextual” theories are primarily interested in studying how the effectiveness of leader behaviors is impacted by the situation and characteristics of the subordinates. The nature and quality of the relationship between the leader and his or her subordinates is paramount in “transactional” theories and the attributions and perceptions of members of a society regarding leadership and the appropriate actions of leaders are the basis for “attributional” theories. Finally, “neocharismatic” or “transformational” theories of leadership are based on the premise that leaders can achieve extraordinary results through their used of “symbolic, emotional and highly motivating behaviors that appeal both to followers’ minds and hearts”.<sup>5</sup>

It has now generally accepted that culture plays an important role in many aspects of how leaders develop and implement their leadership styles and how they interact with those

<sup>1</sup> See, e.g., B. Bass, “Does the Transactional-Transformational Leadership Paradigm Transcend Organizational and National Boundaries?”, *American Psychologist*, 52(2) (1997), 130-139; and M. Peterson and J. Hunt, “International Perspectives on International Leadership. *Leadership Quarterly*”, 8(3) (1997), 203-232. For further discussion of leadership, see “Leadership: A Library of Resources for Sustainable Entrepreneurs” prepared and distributed by the Sustainable Entrepreneurship Project ([www.seproject.org](http://www.seproject.org)).

<sup>2</sup> H. Zagoršek, *Assessing the impact of national culture on leadership: A six nation study* (September 2004) [miha.ef.uni-lj.si/\\_dokumenti/wp/zagorsek-clanek.doc](http://miha.ef.uni-lj.si/_dokumenti/wp/zagorsek-clanek.doc) [accessed February 16, 2011]

<sup>3</sup> B. Bass, *Bass & Stogdill's Handbook of Leadership: Theory, Research, and Managerial Applications* (3rd ed.). (New York: Free Press, 1990); D. Day and R. Lord, “Executive Leadership and Organizational Performance: Suggestions for a New Theory and Methodology”, *Journal of Management*, 14(3) (1988), 453-464.

<sup>4</sup> C. Schriesheim and L. Neider, “Path-Goal Theory: The Long and Winding Road”, *Leadership Quarterly*, 7 (1996), 317-321; J. Howell and D. Costley, *Understanding Behaviors for Effective Leadership* (Upper Saddle River, NJ: Prentice Hall, 2001).

<sup>5</sup> H. Zagoršek, *Assessing the impact of national culture on leadership: A six nation study* (September 2004) [miha.ef.uni-lj.si/\\_dokumenti/wp/zagorsek-clanek.doc](http://miha.ef.uni-lj.si/_dokumenti/wp/zagorsek-clanek.doc) [accessed February 16, 2011]

persons who look to them for guidance. One of the fundamental goals of cross-cultural research relating to leadership is to determine whether attributes of leadership are perceived in the same way—positively or negatively—across all societal cultures (i.e., universally) or whether the perception of those attributes varied across the range of societal cultures (“culturally contingent”). The universalistic perspective is based on the proposition that although there are probably some differences across cultures with respect to leadership in general there are more similarities such that it is appropriate to expect that leaders around the world will rely upon a common toolkit of management practices and structures. Proponents of this view point to a variety of factors that they believe support their position including common technological imperatives and industrial logic and the emergence of global technologies and institutions<sup>6</sup>, as well as arguments that factors such as heredity and personality traits place universal constraints on how items such as culture and training can change how leaders think and act.<sup>7</sup> They also argue that forces of modernization and globalization are fueling a movement toward cultural congruence with respect to organizational and business practices and that leaders everywhere are now more concerned with dealing with contingencies that supersede cultural factors including larger and more complex organizations, rapidly changing technologies, designing and implementing strategies that are increasingly global and coping with environmental instabilities that impact all countries at the same time.<sup>8</sup> In contrast, supporters of the cultural contingency position believe strongly that “the values, beliefs, norms, and ideals that are embedded in a culture affect leadership behavior and goals, as well as structure, culture, and strategies of organizations”.<sup>9</sup>

The researchers involved in the Global Leadership and Organizational Behavior Effectiveness (“GLOBE”) project set out to formally examine universality versus cultural contingency in detail by identifying a large number of possible attributes of leaders and polling respondents around the world about whether these attributes contributed to the effectiveness of a leader or inhibited the ability of a leader to be effective and successful. The GLOBE researchers uncovered evidence to support a finding that a leader’s effectiveness is determined in large part by the context in which he or she is operating and the societal and organizational cultural values and beliefs of those persons following

<sup>6</sup> D. Carl and M. Javidan, *Universality of Charismatic Leadership: A Multi-Nation Study*. Paper presented at the Academy of Management Proceedings (2001).

<sup>7</sup> See, e.g., A. Johnson, P. Vernon, M. Molson, J. Harris and K. Jang, *Born to Lead: A Behavior Genetic Investigation of Leadership Ability*, Paper presented at the Society for Industrial Organization Psychology, Dallas, TX (1998) (40 to 50 percent of variance in leadership behaviors of monozygotic twins could be attributed to heritability); and B. Bass, “Does the Transactional-Transformational Leadership Paradigm Transcend Organizational and National Boundaries?”, *American Psychologist*, 52(2) (1997), 130-139 (leadership requires a disposition to be “influential”, a trait that arguably transcends cultural boundaries and also is difficult to “train”).

<sup>8</sup> C. Kerr, *The Future of Industrial Societies: Convergence or Continuing Diversity*. (Cambridge, MA: Harvard University Press, 1983); and P. Blyton, “The General and the Particular in Cross-National Comparative Research”, *Applied Psychology: An International Review*, 50(4) (2001), 590-595.

<sup>9</sup> Id. See also, e.g., K. Newman and S. Nollen, “Culture and Congruence: The Fit between Management Practices and National Culture”, *Journal of International Business Studies*, 27(4) (1996), 753-780 (“National culture is a central organizing principle of employees’ understanding of work, their approach to it, and the way in which they expect to be treated. National culture implies that one way of action or one set of outcomes is preferable to another.”).

the leader. The researchers also used the information collected during the survey to articulate six global leadership dimensions of culturally endorsed implicit theories of leadership that were significantly correlated with isomorphic dimensions of societal and organizational culture.<sup>10</sup> The GLOBE researchers explained that “[t]hese dimensions are summary indices of the characteristics, skills, and abilities culturally perceived to contribute to, or inhibit, outstanding leadership.”<sup>11</sup> The researchers noted that these dimensions can be thought of as being somewhat similar to what laypersons refer to as “leadership styles” and others have referred to the dimensions as “global leadership dimensions”, “global leader behaviors” or “second order factors”. The following table describes the six dimensions using the applicable primary leader attributes or behaviors<sup>12</sup>:

<p><b>Charismatic/Value Based</b></p> <ul style="list-style-type: none"> <li>• Charismatic/Visionary</li> <li>• Charismatic/Inspirational</li> <li>• Charismatic/Self-sacrifice</li> <li>• Integrity</li> <li>• Decisive</li> <li>• Performance oriented</li> </ul>	<p><b>Team Oriented</b></p> <ul style="list-style-type: none"> <li>• Collaborative Team Orientation</li> <li>• Team Integrator</li> <li>• Diplomatic</li> <li>• Malevolent (reverse scored)</li> <li>• Administratively competent</li> </ul>
<p><b>Self-Protective</b></p> <ul style="list-style-type: none"> <li>• Self-centered</li> <li>• Status conscious</li> <li>• Conflict inducer</li> <li>• Face saver</li> <li>• Procedural</li> </ul>	<p><b>Participative</b></p> <ul style="list-style-type: none"> <li>• Autocratic (reverse scored)</li> <li>• Non-participative (reverse scored)</li> </ul>
<p><b>Humane</b></p> <ul style="list-style-type: none"> <li>• Modesty</li> <li>• Humane orientation</li> </ul>	<p><b>Autonomous</b></p> <ul style="list-style-type: none"> <li>• Individualistic</li> <li>• Independent</li> <li>• Autonomous</li> <li>• Unique</li> </ul>

Having identified the six leadership styles, the GLOBE researchers went on confirm statistically significant associations between the cultural dimensions associated with a society and the preferences and dislikes of that society with respect to the attributes and behaviors of its leaders.<sup>13</sup> For example, the GLOBE researchers found that the attributes associated with team-oriented leadership were perceived as being especially important for effective leadership in societies where uncertainty avoidance, as well as in-group collectivism and humane orientation, were all high such as the countries in the Southern Asian, Confucian Asian and Latin American clusters, all of which strongly endorsed

<sup>10</sup> R. House, P. Hanges, S. Ruiz-Quintanilla, P. Dorfman, M. Javidan and M. Dickson, "Cultural Influences on Leadership and Organizations," *Advances in Global Leadership*, Volume I (Greenwich, CT: JAI Press, Inc., 1999), 171-233.

<sup>11</sup> *Id.* at 675.

<sup>12</sup> *Id.*, Table 21.1 at 676.

<sup>13</sup> For detailed discussion of the cultural dimensions identified and assessed by the GLOBE researchers, see the Part on “Cross-Cultural Studies” in “Globalization: A Library of Resources for Sustainable Entrepreneurs” prepared and distributed by the Sustainable Entrepreneurship Project ([www.seproject.org](http://www.seproject.org)).

team-oriented leadership styles.<sup>14</sup> The researchers also found that the general rule was that the intensity of endorsement of participative leadership within a country was negatively correlated with the strength of power distance<sup>15</sup> and that there was a strong and positive correlation between high performance orientation and charismatic/value-based leadership and, in fact, this style is often referred to as “performance-oriented.”

Other researchers have confirmed the findings and arguments of the GLOBE researchers. For example, Zagoršek, who was studying the usage of five leadership practices of transformational leadership by MBA students from six countries (Argentina, India, Korea, Nigeria, Slovenia and the US)<sup>16</sup>, explained the ways in which culture could influence leadership styles and behaviors as follows:

- Culture plays an important role in shaping the approved leadership prototype—the image of the ideal leader—of a particular society. The leadership prototype includes, among other things, a list of the leader attributes or behaviors that are presumed to be desirable and necessary in order for a leader to be effective and accepted by his or her subordinates.<sup>17</sup>
- Culture has a significant—many say fundamental—-influence on the personality traits and work values of leaders and their subordinates in a particular society.<sup>18</sup>
- The cultural values and norms of a society determine the attitudes of leaders and their actual pattern of leadership behaviors. Among other things, cultural values define societal norms regarding the ways in which members of the society, including leaders and their subordinates, relate to one another and these norms specify acceptable forms of leadership behaviors.<sup>19</sup>
- Just as cultural values and norms impact the attitudes and behaviors of leaders, they also influence how subordinates perceive and ultimately accept or reject the behaviors and practices of their leaders. Zagoršek noted that research has confirmed that “[f]ollowers across nations differ in their preferences for, acceptance of, and performance responses to different communication patterns, task- versus person-

<sup>14</sup> P. Dorfman, P. Hanges and F. Brodbeck, “Leadership prototypes and cultural variation: The identification of culturally endorsed implicit theories of leadership,” in R. House et al. (2004), supra note \_.

<sup>15</sup> P. Dorfman, P. Hanges and F. Brodbeck, “Leadership prototypes and cultural variation: The identification of culturally endorsed implicit theories of leadership,” in R. House, P. Hanges, M. Javidan, P. Dorfman and V. Gupta (Eds), *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies* (Thousand Oaks CA: Sage, 2004).

<sup>16</sup> H. Zagoršek, *Assessing the impact of national culture on leadership: A six nation study* (September 2004) [miha.ef.uni-lj.si/\\_dokumenti/wp/zagorsek-članek.doc](http://miha.ef.uni-lj.si/_dokumenti/wp/zagorsek-članek.doc) [accessed February 16, 2011]

<sup>17</sup> See M.S. O’Connell, R. Lord and M.K. O’Connell, *Differences in Japanese and American Leadership Prototypes: Implications for Cross-Cultural Training* (Paper presented at the Academy of Management, San Francisco, 1990); R. House, “A Brief History of GLOBE”. *Journal of Managerial Psychology*, 13(3/4) (1998), 230-241; and R. House, P. Hanges, A. Ruiz-Quintanilla, P. Dorfman, M. Javidan, M. Dickson et al., “Cultural Influences in Leadership and Organizations: Project GLOBE” in W. Mobley, M. Gessner and V. Arnold (Eds.), *Advances in Global Leadership*, Vol. 1. (Stamford, CT: JAI Press, 1999), 171-233.

<sup>18</sup> J. Berry, Y. Poortinga and M. Segall et al., *Cross-Cultural Psychology: Research and Applications* (2nd ed.) (Cambridge: Cambridge University Press, 2002).

<sup>19</sup> G. Yukl, *Leadership in Organizations* (5th ed.) (Upper Saddle River, NJ: Prentice Hall, 2002).

orientation, close versus general supervision, democratic versus autocratic leadership, and usage of participatory practices”.<sup>20</sup>

- Consistent with the points discussed above, culture is an important determinant of the effectiveness of particular leadership styles and behaviors and leader behaviors that are inconsistent with societal norms and values and/or with the implicit leadership theories of subordinates in the society are likely to be ineffective and ultimately lower the morale of the subordinates and harm the productivity and performance of the organizational unit that the ineffective leader oversees.
- Culture impacts how leaders are selected and accepted as “legitimate” within societies. As Zagoršek explained “. . . in Egalitarian, Individualistic, low Power Distance societies the leader usually has to “earn his title” – he or she is “appointed” by the followers, who admire his or her qualities and achievements. In more traditional, Collectivistic, and high Power Distance countries, the leadership role is usually ascribed to an individual by the nature of his or her status (acquired by birth, kinship, gender, age, education, or connections)”.
- The nature of the relationship between leaders and their subordinates is also impacted by cultural factors. In some societies, for example, the relationship is akin to a parent and child and the subordinate is dependent on the leader and the leader is expected to attend to and satisfy the needs of his or her subordinate. In more egalitarian societies, however, there are far fewer distinctions between leaders and subordinates and the leader is often simply “first among equals”.
- Culture provides context for the styles and behaviors of leaders and thus provides a way to identify whether a particular action will be considered appropriate or inappropriate within a society. For example, in South East Asia attendance by a leader at a subordinate’s family celebration will be considered “supportive” as will a leader’s discussion of the personal problems of one subordinate with other subordinates in Japan; however, such behaviors by a leader in US would likely be considered annoying or offensive by the subordinate whose personal space has been intruded upon by the leader.

## §1:2 United Kingdom

A more recent survey of leadership styles commonly seen among CEOs in the UK confirmed that the hierarchical culture that has historically persisted among UK companies continues to play an important, and arguably harmful, role in that it leads to reliance on “command and control” and “toughness” as major values in UK leadership models.<sup>21</sup> One of the alarming byproducts of this type of leadership style is widespread lack of engagement between company leaders and their subordinates and growing disenchantment, particularly among younger workers, at the lack of opportunities offered employees to be included in decision making and creative processes. In addition, UK business leaders continue to have a comparatively high focus on short-term results and some of them argue that while they appreciate the concerns regarding disengagement it is

<sup>20</sup> R. House, N. Wright and R. Aditya, “Cross-Cultural Research on Organizational Leadership: A Critical Analysis and a Proposed Theory” in P. Earley and M. Erez (Eds.), *New Perspectives in International Industrial Organizational Psychology* (San Francisco: New Lexington, 1997), 535-625.

<sup>21</sup> V. Zainzinger, “British Style of Leadership is Harmful to Business”, *Real Business* (June 20, 2013)

difficult to implement changes in challenging economic times when merely surviving has been the key operational objective for their businesses. Some business leaders also worry that abandoning the traditional hierarchical relationships between management and employees may be perceived as sign of weakness. All in all, the survey, which was conducted by the Ashbridge Business School, uncovered three barriers to engagement and dialogue between UK CEOs and their subordinates: shortcomings in leadership capabilities that hindered engagement, such as poor self-awareness on the part of leaders; leadership pride that leads to disengaging leadership behaviors; and, as mentioned above, the culture and system in which UK business operates that is antithetical to engagement (i.e., organizational hierarchy and the focus on short-term results).<sup>22</sup>

### §1:3 Japan

Effective leadership behavior in Japan is strongly influenced by several societal cultural values, notably kindness, commitment and the moral pressure of society. According to Taleghani et al., the Japanese have a strong drive to act kindly toward others and enjoy receiving kindness in return, and continuous acts of kindness build a feeling of commitment between people and members of groups.<sup>23</sup> The relationship between leaders and subordinates in Japanese has often been compared to the relationship between parents and children and Taleghani et al. observed that the major characteristics of Japanese leaders included “seriousness, continuous work, cooperation and coordination with others, an ability to establish close relationship with colleagues, tolerance of hardships and difficulties of work, self-discipline, ability to control demands and personal feelings and sympathy with followers”.<sup>24</sup> Taleghani et al. argued that in comparison to leaders in other societies Japanese leaders had less power of control because they were expected to create and maintain warm and good relationships with their followers and allow the followers to decide on their own which actions were accepted and expected in the context of Japanese cultural norms. Taleghani et al. also noted that the most important task of a Japanese leader seeking efficiency as a leader is being able to understand his or her followers and attract their attention.

### §1:4 Germany

Boehmer presented and analyzed the findings of several Hofstede studies and the GLOBE study regarding societal culture in Germany and its influence on the use and efficacy of various leadership styles.<sup>25</sup> Boehmer explained that Hofstede’s finding of low power distance in Germany meant that leaders would likely be under some pressure to justify power differences, since such differences would not be readily accepted without

<sup>22</sup> A. Armstrong, Ashridge Business School: Engagement through CEO Eyes (May 2013), 8.

<sup>23</sup> G. Taleghani, D. Salmani and A. Taatian, “Survey of Leadership Styles in Different Cultures”, *Iranian Journal of Management Studies*, 3(3) (2010), 91, 97-98.

<sup>24</sup> *Id.* at 98.

<sup>25</sup> T. Boehmer, *Leadership Tendencies of German Employees: Relations between Culture and Leadership Styles* (2011) (citing G. Hofstede, “Cultural Dimensions in Management and Planning”, *Asia Pacific Journal of Management* (1984), 81; and F. Brodbeck and M. Frese, “Societal Culture and Leadership in Germany”, in J. Chhokar, F. Brodbeck and R. House (Eds), *Culture and Leadership Across the World: The GLOBE Book of In-Depth Studies of 25 Societies* (2007), 147, 162)).

question by subordinates. Boehmer reminded that Germany's long standing apprenticeship system had contributed to a high level of education and sophistication within its workforce and that, as a result, workers expected their superiors to be experts in solving problems and accorded them respect based on their performance and not simply because of their position. Germany also scored high on individualism, which Boehmer interpreted as an indication that Germans felt they had control over their own fate and valued individual performance; however, Boehmer pointed out that individualism in German was not as pronounced as in the US and other Western countries. Germany scored high with respect to masculinity, was in the middle range of the countries surveyed by Hofstede with respect to uncertainty avoidance and fell on the "short-term" end of the scale with respect to long-term orientation.

According to Boehmer, the results of the GLOBE survey with respect to Germany were similar to those reported by Hofstede but for the GLOBE findings of lower long-term orientation and higher uncertainty avoidance.<sup>26</sup> In the GLOBE model Germany was one of several German-speaking countries, including Austria and German-speaking Switzerland, placed into a "Germanic cluster" and the GLOBE researchers found that within that cluster there was a high appreciation for charismatic and value-based leadership as well as for participative leadership. At the same time, self-protecting and defensive styles of leadership were viewed quite negatively among respondents from the Germanic cluster in the GLOBE survey. It should be noted that Ardichvili and Kuchinke also studied German preferences regarding leadership styles in the workplace and found that Germans tended to favor charisma, inspirational motivation, intellectual stimulation, and individual consideration as good leadership qualities as opposed to other qualities such as management by exception and laissez-faire leadership style.<sup>27</sup> In general, the traditional leadership style in the German workplace is relatively formal and based on large power distance between the leader and his or her subordinates.

Boehmer went on to examine the relationship between leadership styles and cultural dimensions in Germany by assessing the attitudes of 232 German employees towards task-oriented and relationship-oriented leadership styles and found that the respondents were more relationship-oriented than task-oriented, well-educated respondents tended to be more task-oriented, and government experience and gender did not have a significant influence on either task oriented or relationship orientation.<sup>28</sup> Boehmer also found evidence of strong tendencies toward cooperative leadership styles, at least in situations where the tasks required more formal education, and that bureaucratic leadership styles were deployed when the jobs did not require much formal education. Authoritarian leadership styles were neither dominant nor prevalent among the respondents to Boehmer's survey. The results led Boehmer to conclude, based on the results of this

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<sup>26</sup> Id.

<sup>27</sup> A. Ardichvili and K. Kuchinke, *Leadership Styles and Cultural Values Among Managers and Subordinates: A Comparative Study of Four Countries of the Former Soviet Union, Germany, and the US*, 5(1) *Human Resource Development International* 99 (2002) (as described in E. Arnaud, J. Camp, M. DeAngelo, K. Parsons, and J. Sturm, *A Business Outtake On Germany: Cultural, Organizational, and Management Characteristics* (August 11, 2010)).

<sup>28</sup> T. Boehmer, *Leadership Tendencies of German Employees: Relations between Culture and Leadership Styles* (2011).

particular survey, that many German employees are self-confidently striving for cooperation, participation and power sharing, a finding that was consistent with the relatively low power distance of German societal culture based on measurements using the model developed by Hofstede.

Boerner studied the role that leadership style can play in stimulating continuous improvement in companies using information collected from interviews with employees from 40 German firms of different sizes operating in industry, trade and services.<sup>29</sup> He found evidence to support his proposition that “leadership-by-encouragement” would strengthen employees’ sense of independence, bolster their confidence and provide direction such that there would be an atmosphere within the company that was conducive to innovation. Boerner explained that leadership-by-encouragement empowers employees by making them feel that they are originators of action and decisions and also provides employees an orientation for their innovativeness. However, Boerner cautioned that companies must make it clear to employees that their ideas and suggestions are crucial for the success of the business and establish procedures that do not excessively restrict employees’ latitude for developing innovative ideas. Companies must also work to reduce the anxiety and uncertainty that employees are likely to feel in an environment of continual organizational change and provide guidance on the path that is being taken by developing, and sharing information about, a medium- or long-term strategy of vision. Finally, Boerner advised that leadership-by-encouragement will only be effective when companies have selected and trained managers who are competent, perceptive, confident and secure and unthreatened by efforts of employees to exert influence as to the actions taken by the company.

Kuchinke studied differences in leadership styles and work-related values among managers, engineers and production employees of one global company's US and German telecommunication employees, explaining that the research was specifically focused on the degree of variance in leadership styles and behavior within and between the two nations; the level of variation in cultural, work-related norms and values within and between the two countries; and the effects of cultural differences on leadership styles in both countries.<sup>30</sup> Kuchinke stated at the outset that one of the key questions that the study intended to address was to determine to what degree German managers and supervisors used transformational, as opposed to transactional, leadership styles. Kuchinke noted that while transformational leadership had become particularly popular and accepted in the US during the 1980s and 1990s, it was not highly regarded in Germany due, to some degree, to the resemblance it had to aspects of Hitler’s Third Reich. Instead, societal values in Germany that emerged in the late 1940s and 1950s supported and dictated contractual, rule-based forms of governance and management that were anchored in firm policies and guidelines enforced in many formal and informal ways and which “form[ed] the foundation for transactional styles of leadership in which desired behaviors

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<sup>29</sup> S. Boerner, *Promoting Continuous Improvement—Empirical Impacts of Leadership Style in German Companies* (1999).

<sup>30</sup> K. Kuchinke, “Leadership and Culture: Work-Related Values and Leadership Styles among One Company’s U.S. and German Telecommunications Employees”, *Human Resource Development Quarterly*, 10(2) (1999), 135.

are elicited through a process of exchange, and in which specific duties are rewarded with very clearly specified rewards and recognitions”.<sup>31</sup>

The survey conducted Kucninke revealed that US employees reported “a greater frequency of leadership focused on vision, a desired future, and optimism and enthusiasm in its attainability” but that there was no significant differences between the two countries with respect to transactional leadership styles, leading Kucninke to conclude that “the primary difference between the two countries lies in the relatively stronger use of Charismatic and Inspirational Leadership among the US plant populations”.<sup>32</sup> There were no significant variations in leadership styles among different job categories in either country, a finding which Kucninke attributed to the substantial investments that the company had made in supervisory, management, and leadership development and the sophisticated production processes used by the company that required high levels of expertise within each job category. In particular, the specific surveyed company had a long history of training all of its managerial and non-managerial employees in quality management principles and relying on worker participation, teamwork and joint decision making and accountability. Kucninke noted that while there were country-level differences in culture that influenced perceptions of the participants with regard to leadership style, those differences explained only portion of the variations between the countries and Kucninke suggested that variables other than culture might possibly have a strong impact on leadership scores.

The societal culture in Germany is relatively individualistic with low power distance and this means that, in general, Germans do not place significant importance on titles or status and superiors and subordinates are more likely to be viewed as equals. However, those in positions of leadership within German companies are accorded due respect provided that they are also perceived as someone who is technically capable in the areas over which he or she has responsibility and who is able to provide strong and clear direction to subordinates.<sup>33</sup> Fein also observed that the most successful and effective German leaders have a good sense of priorities and a clear direction for their companies.<sup>34</sup> German leaders do typically delegate tasks and assignments to team members that are technically competent to successfully complete the activities and the expectation is that once delegation occurs the responsible person will be allowed to perform the task or assignment without undue interference or supervision from the leader; however, while subordinates are granted autonomy with respect to carrying out their duties, they are expected to do so in a manner that conforms to rules that have been adopted to promote stability and manage the strong uncertainty avoidance found within Germany’s societal culture.<sup>35</sup>

Busch et al. explored German leadership styles from a unique perspective by collecting and analyzing data on the leadership styles of German managers of Chinese companies

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<sup>31</sup> Id.

<sup>32</sup> Id.

<sup>33</sup> World Business Culture, German Management Style.

<sup>34</sup> H. Fein, *The DaimlerChrysler Turnaround and German Management Style* (2010).

<sup>35</sup> World Business Culture, German Management Style.

operating in Germany.<sup>36</sup> While all of the surveyed companies were Chinese owned, all of the employees who participated in the survey were German and they were asked questions about the leadership styles of both Chinese and German managers within their companies in order for the researchers to make comparisons between them. Interestingly, the researchers created a questionnaire that incorporated four Chinese leadership styles that were based on central dimensions of Chinese culture that had previously been identified by several researchers: Daoistic leadership, Confucianistic leadership, Legalistic leadership and Paternalistic leadership.<sup>37</sup> Busch et al. found that the German employees reacted most positively to two leadership styles perceived more frequently among their German managers, Daoistic and Confucianistic leadership, and this meant that German employees had a high level of approval with leaders who possessed the quality to keep a low profile; could adjust themselves to any environment and situation; were gentle and soft while also being persistent and powerful; were perseverant, ambitious and optimistic; appreciated self-examination and corrected mistakes; and shaped the character of followers by role modelling, mentoring and reinforcing. At the same time, the employees had a far less favorable response to the paternalistic leadership style most commonly associated with their Chinese managers, which meant that they disapproved of leaders who expected obedience, insisted on making final decisions on key issues and guarded key information tightly.

### §1:5 France

In their well-known 1991 article in the *Harvard Business Review*, Barsoux and Lawrence argued that business leadership in France was “a ‘state of mind’ rather than an “interpersonally demanding exercise” and that French executives were distinguished by their cleverness rather than by their skills.<sup>38</sup> Twenty years later, an article in *The Economist* also reported that many executives in France believed that they owed their high positions to their intelligence and cunning and saw themselves as needing to be clever, meaning “they must be able to grasp complex issues, analyze problems, manipulate ideas and evaluate solutions”.<sup>39</sup> *The Economist* noted, however, that while problem-solving was their goal, and the technical background of many French executives gave them the confidence that they could solve any problem, French executives often struggled to detect problems that should be addressed since they “[did] not share the Anglo-Saxon view of management as an interpersonally demanding exercise where plans have to be sold upward and downward” and often were uninterested in doing many of the

<sup>36</sup> R. Busch, R. McMahon, A. Unger, C. May and Y.C. Wang, “A Comparison of Leadership Styles between Chinese and German Managers of Chinese Companies in Germany”, *Web Journal of Chinese Management Review*, 16(2) (May 2013).

<sup>37</sup> See Y. Fan, “A Classification of Chinese Culture”, *Cross Cultural Management*, 7(2) (2000), 3; and A. Unger, R. Busch, Y.C. Wang and C. May, *Leadership Styles in China—Development of a Questionnaire for Measuring Chinese Leadership Styles* (2011).

<sup>38</sup> J. Barsoux and P. Lawrence, “The Making of a French Manager”, *Harvard Business Review*, 69(4) (July – August 1991), 58. See also France: Management Styles (February 1, 2011) (“Intellectualism is something desired in French managers; one’s ability to master complex concepts and provide and understand detailed analysis is respected far greater than one’s interpersonal skills and ability to motivate staff and build effective teams.”).

<sup>39</sup> “Schumpeter: The French Way of Work”, *The Economist* (November 19, 2011).

things that needed to be done in order to spot problems in the first place such as “talking to people, asking the right questions, listening to answers and sometimes improvising”.<sup>40</sup>

Barsoux and Lawrence were among the first of many to observe that French executives were not simply born into their roles, but instead were molded through an elaborate educational path that included attendance at exclusive schools and eventually led to induction into a “managerial elite” that enjoyed high social privileges.<sup>41</sup> According to *The Economist*, once someone survived the academic grind and landed a position with a top firm in France, it was expected that he or she would remain with that company for life and career development was “inegalitarian” and more “a case of sponsorship than ability”, with an emphasis placed on “acculturation” and “being schooled in the thought, ways and folklore of the company.”<sup>42</sup> Little in the way of formal management training was offered to leaders of French companies as they progressed and matured, which was not surprising given that it was believed that their legitimacy was tied to characteristics that could not easily be taught in a formal fashion, such as “cleverness”.<sup>43</sup>

Interestingly, it is generally acknowledged that the French education system that has long produced its business leaders, which is decidedly tilted toward the sciences, is relatively meritocratic and rewards those that score the best on tests and get the best grades with opportunities for coveted positions with the government and in the private sector; however, this type of meritocracy has been criticized for its failure to spill over into the workplace, at least among large French companies, where the ties forged among executives during their school days become the basis for filling important positions within a firm and internal promotion opportunities are limited for those who do not have the elite educational background, even if they have performed well in discharging their duties for the firm. This lack of upward mobility has become a source of significant dissatisfaction among middle managers in France, many of whom have become increasingly disengaged from their companies, and those who have been able to advance in larger companies typically come from areas such as finance or strategy rather than from manufacturing.

The seeming lack of engagement found among French business leaders is accompanied, and reinforced, by hierarchical organizational structures, centralized decision making and a wariness of distributing information to, and sharing authority with, managers and employees at lower levels of the organizational pyramid. Reports of discontent among French middle managers and employees are a sign that perhaps this traditional leadership style is no longer effective. France joined Italy, Portugal, Spain, Switzerland (French-Speaking) and Israel as a member of the Latin Europe cluster of countries identified and

<sup>40</sup> Id. See also G. Taleghani, D. Salmani and A. Taatian, “Survey of Leadership Styles in Different Cultures”, *Iranian Journal of Management Studies*, 3(3) (2010), 91, 102-103 (“French managers see their work as an intellectual challenge which needs mental and intellectual power. Attitude of these managers is based on wisdom, wit and sagacity rather than practice.”).

<sup>41</sup> J. Barsoux and P. Lawrence, “The Making of a French Manager”, *Harvard Business Review*, 69(4) (July – August 1991), 58.

<sup>42</sup> “Schumpeter: The French Way of Work”, *The Economist* (November 19, 2011) (as described in Management Culture Blog, French Management (November 25, 2011)).

<sup>43</sup> Id.

analyzed in the Global Leadership and Organizational Behavior Effectiveness (“GLOBE”) research program, and the researchers found that the most effective leadership attributes among the countries in that cluster were charismatic visionary, team-oriented and participative leadership and the least valued and admired leadership attributes were autonomous and self-protective leadership.<sup>44</sup> As for France specifically, Jesuino explained: “A comparison of the cluster country means shows that France presents the lowest scores on all attributes except participative leadership where along with French Switzerland, the score is higher than in other countries within the cluster. To French managers, being a humane leader actually impedes effective leadership. Charismatic leadership, while seen in somewhat positive light, is not viewed as highly as in the other countries. Effective French organizational leaders are first and foremost participative, and to a lesser extent team oriented.”<sup>45</sup>

The results from the GLOBE survey strongly suggest that French leaders need to make some significant changes in their leadership styles and practices in order to improve their effectiveness. The participative style of leadership suggested by the GLOBE researchers is based on a willingness to encourage and accept input from others during the process of making and implementing decisions and emphasizes delegation and equality. Team-orientation demands that leaders make the effort to instill pride, loyalty and collaboration among organizational members as a means for propelling everyone in the firm to work together to achieve a clearly understood common purpose or goals. It will be difficult for French leaders to overcome their reluctance to delegate authority, as well as their belief that they can rely on their own “cleverness” to make decisions rather than tapping into the skills and experiences of others inside the organization. However, many French business leaders are losing touch with the heart and soul of their organizations, relying only on lengthy, formal written reports crammed with numbers to understand what is going on in day-to-day operations, and it is imperative that they involve their employees in developing realistic goals and performance measures, share information and delegate authority, develop talent and establish paths for upward advancement that are not dependent on where someone went to school, create appropriate rewards and proactively engage in creating and supporting teamwork by focusing on process as well as tasks.<sup>46</sup>

### §1:6 Switzerland

Switzerland, primarily the German-speaking segment of the population, was part of the Germanic Europe cluster identified by the researchers of the GLOBE project, sharing membership with Austria, Germany and the Netherlands.<sup>47</sup> The GLOBE researchers found that charisma, team-orientation and participation were the most highly contributing factors for effective leadership among the countries in the cluster, with humane orientation also being important although not as influential as the other three factors.

<sup>44</sup> J. Jesuino, “Latin Europe Cluster: From South to North”, *Journal of World Business*, 37 (2002), 81, 88.

<sup>45</sup> Id.

<sup>46</sup> S. Zoglio, *The Participative Leader* (1995).

<sup>47</sup> The discussion of the results for German-speaking Switzerland in this paragraph is adapted from E. Szabo, F. Brodbeck, D. Den Harto, G. Reber, J. Weibler and R. Wunderer, “The Germanic Europe Cluster: Where Employees Have a Voice”, *Journal of World Business*, 37 (2002), 55.

Self-protection was not well regarded and perceived as hindering effective leadership. Szabo et al. noted that while charisma was a rather universal leadership concept widely praised and favored around the world, the Germanic Europe cluster could be distinguished from other clusters by the intensity of its endorsement of participation and team-orientation. Szabo et al. argued that with respect to Switzerland the results might well be attributed to the country's long-standing tradition of democracy and participation in the political arena in that country and the domination of values of harmony and consensus over dissent and competition at the societal level.<sup>48</sup> Other commentators have observed that while the Swiss expect their leaders to make the final decisions, effective leadership includes serious efforts to include subordinates in the generation and discussion of ideas and harness the talents of the group.<sup>49</sup>

Staheli argued that the Swiss leadership prototypes for the three language regions in the country varied substantially with respect to three of the culturally-contingent leader attributes identified by the GLOBE researchers: sensitive, provocative and cautious.<sup>50</sup> According to Staheli, in German-speaking Switzerland there was an expectation of a more provocative, above-average cautious and less sensitive leader. Leaders could expect performance from their subordinates; however, they should not exert power on their employees, and he or she should be slightly more humane, more gender egalitarian and less assertive. In French-speaking Switzerland, leaders were expected to be less cautious, less provocative and less sensitive. Staheli noted that leaders in French-speaking Switzerland assigned importance to status and hierarchy, and needed to manage ego-related emotions, such as frustration, more so than in the other two regions. Staheli advised that a leader's behavior in French-speaking Switzerland should be slightly above average for humane, more collectivistic than in other regions, above-average future-oriented, not so assertive, and above average in terms of power distance. Finally, in Italian-speaking Switzerland leaders were expected to be slightly above average sensitive and cautious, and below-average provocative, and are also expected to be person-oriented and have a certain maturity and personality profile. Subordinates in Italian-speaking Switzerland were found to be more critical of their own superiors than the other language regions and also expressed other-related emotions, such as sympathy, more often than other regions. Staheli explained that an Italian-speaking leader's behavior should be consistent with certain organizational level value orientations in the region including slightly above-average assertiveness, less humane than in German-speaking Switzerland, slightly more collectivistic, and moderately higher on power distance.

Dynargie found that there were two leadership styles that were perceived positively among Swiss workers.<sup>51</sup> The first was a participative style, which was recommended for situation where people had experience but lacked confidence or motivation, and featured involving employees in the problem solving process. The second was a coaching style,

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<sup>48</sup> Id. at 66.

<sup>49</sup> Intercultural Management—Switzerland, Being a Manager in Switzerland.

<sup>50</sup> The discussion in this paragraph is adapted from B. Staheli, Cross-Cultural Management within Switzerland: An In-depth Case Study of a Swiss Financial Services Company (2003), 324-325.

<sup>51</sup> Dynargie—The Human Side of Business, Leadership Style Analysis: A Cross-Country Vision in Terms of Leadership Profiles.

which was recommend when working with employees who are highly motivated but lack competencies regarding required tasks, and featured definition of roles and task by the leader accompanied by an explanation from the leader as to why he or she was providing specific guidance and direction to the employees. Dynargie also found that, in general, Swiss leaders pursue and achieve an equal balance between pressing forward with their own ideas and listening to, and sometimes implementing, the ideas of their subordinates.

### §1:7 Nordic Europe

According to Ekwall and Karlsson, the prevalent leadership style in Finland is commanding and straightforward and Finnish leaders “are strong authorities who ultimately bear the responsibility and are able to make large decisions alone”.<sup>52</sup> Ekwall and Karlsson also noted that Finnish leaders make decisions quickly and are not usually questioned by subordinates, who are expected to implement the decisions even in the face of differences of opinion with their leader.<sup>53</sup> Once decisions are made, Finnish leaders are expected to be present and available to their subordinates in order to answer questions and provide additional directions on implementation of decisions. Implementation and performance are valued more highly than planning within Finnish companies and Finnish leaders are generally impatient and prefer to press forward aggressively and deal with chaos and problems as they arise. Other expected characteristics of effective leaders in Finland include honesty, candor and reliability.<sup>54</sup>

In contrast to Finland, leadership style in Sweden is often characterized as being representative of a softer trend, following the country’s higher femininity on Hofstede’s masculine-feminine dimension of societal culture. Swedish leaders attempt to establish a consensus among the members of their team and avoid conflicts and seek agreement on all matters to be decided and commitment from all team members to the decisions.<sup>55</sup> Lamsa noted that “[t]he Swedish leader is usually one of the workers among others than a lonely ruler” and that “[i]n Sweden, management is not the person-centered but functional-centered in which case big crisis does not usually arise although a change of manager midstream”.<sup>56</sup>

Bremer noted that Swedish leadership style has been characterized as “vague and imprecise” and famously illustrated by the claim that a typical Swedish order was “See

<sup>52</sup> T. Lamsa, “Leadership Styles and Decision-Making in Finnish and Swedish Organizations”, *Review of International Comparative Management*, 11(1) (March 2010), 140, 144 (citing A. Ekwall and S. Karlsson, *Mötet – en bok om kulturella skillnader och ledarskap. Svenskt och finskt* (1999), 150-155).

<sup>53</sup> Id. (March 2010) (citing A. Ekwall and S. Karlsson, *Mötet – en bok om kulturella skillnader och ledarskap. Svenskt och finskt* (1999), 178).

<sup>54</sup> Id. (citing A. Ekwall and S. Karlsson, *Mötet – en bok om kulturella skillnader och ledarskap. Svenskt och finskt* (1999), 105, 178). See also D. Swallow, *Culture shock! A Guide to Customs and Etiquette: Finland* (2001), 144-145.

<sup>55</sup> T. Lamsa, *Leadership Styles and Decision-Making in Finnish and Swedish Organizations*, *Review of International Comparative Management*, 11(1) (March 2010), 140, 145 (citing A. Ekwall and S. Karlsson, *Mötet – en bok om kulturella skillnader och ledarskap. Svenskt och finskt* (1999), 150-151).

<sup>56</sup> Id. (citing A. Ekwall and S. Karlsson, *Mötet – en bok om kulturella skillnader och ledarskap. Svenskt och finskt* (1999), 150).

what you can do about it!”<sup>57</sup> Holmberg and Åkerblom, who have written extensively on leadership and culture in Sweden, explained that this approach demonstrated that Swedish leaders were comfortable with delegating authority and trusted their subordinates to find and execute solutions without excessive amounts of control and based primarily on a common understanding of the problem. They also noted that Sweden is an egalitarian and unusually homogeneous society, a situation which is conducive to pursuing and achieving consensus and permitting everyone’s opinion to be respected and considered during the decision making process. According to Holmberg and Åkerblom, mutual understanding and collective consideration is extremely important in Sweden and Swedes clearly prefer compromised solutions.<sup>58</sup>

While Hofstede found Sweden to be individualistic and low on uncertainty avoidance, Holmberg and Åkerblom described Sweden as being both extremely collective and extremely individualistic and high on uncertainty avoidance with a strong future orientation.<sup>59</sup> Holmberg and Åkerblom argued that Swedes seek to maintain a separation between their public and private lives, much more so than in other parts of the world, and value their independence and solitude.<sup>60</sup> According to Trompenaars and Hampden-Turner, Swedes place high emphasis on individual integrity, freedom, needs and values, yet also believe that individual fulfillment is closely linked to developing and sustaining others through work activities.<sup>61</sup>

Holmberg and Åkerblom described and summarized the finding of various studies conducted under the auspices of the GLOBE project with regard to implicit leadership styles in Sweden.<sup>62</sup> They reported that the characteristics of leadership rated most effective among Swedish middle managers were, in order, inspirational, integrity, visionary, team integrator, performance orientation, decisive, and collaborative team orientation. At the same time, the Swedish middle managers disliked leaders who were autocratic, face-saving, self-centered and/or malevolent. These findings led to the statement that in order to be considered an outstanding leader in Sweden, one “should be honest and trustworthy, and inspire and engage the organization members to perform their best towards a visionary future” and “should not work in her or his own self-interest, but rather for the common good and also be a master of creating a team spirit within the organization”.<sup>63</sup> These characteristics were consistent with the implicit leadership style that the GLOBE researchers referred to as “charismatic and team-

<sup>57</sup> I. Bremer, “Common Factors between Swedish and Chinese Entrepreneurial Leadership Styles”, in R. Simons (Ed.), *Human Resource Management: Issues, Challenges and Opportunities* (2011), 135, 157. The illustration originally appeared in A. Edström and S. Jönsson, “Swedish Leadership”, in B. Czarniawska (Ed.) *Organisationsteori på svenska* (1998).

<sup>58</sup> Id. See also I. Holmberg and S. Åkerblom, *Primus inter pares—Leadership and Culture in Sweden* (1998).

<sup>59</sup> Id. at 156 (citing G. Hofstede, *Cultures and Organizations: Software of the Mind* (1980) and I. Holmberg and S. Åkerblom, *Primus inter pares—Leadership and Culture in Sweden* (1998)).

<sup>60</sup> I. Holmberg and S. Åkerblom, *Primus inter pares—Leadership and Culture in Sweden* (1998) (citing A. Daun, *Swedish Mentality* (1989)).

<sup>61</sup> F. Trompenaars and C. Hampden-Turner, *Riding the Waves of Culture* (1993).

<sup>62</sup> I. Holmberg and S. Åkerblom, “Primus inter pares—Leadership and Culture in Sweden”, in J. Chhokar, F. Brodbeck and R. House, *Culture and Leadership Across the World* (2007).

<sup>63</sup> Id. at 20-21.

oriented”. In the context of comparing to other countries, outstanding leadership in Switzerland was characterized by admiration of humane leaders with extraordinary capabilities to create and sustain teams.

Holmberg and Åkerblom also compared and analyzed Swedish data on “outstanding leadership” with data from other countries collected during the GLOBE project and argued that it was possible to identify certain leadership ideals that were important to Swedish middle-managers and others that distinguished the Swedish group from the rest in a global comparison including “participative decision-making, conflict-aversion, strong focus on interrelations, a certain formality [and] change-orientation”.<sup>64</sup>

### §1:8 Israel

Leadership practices and styles in Israel are rooted in the characteristics of the country’s societal culture. Measures of societal culture in Israel based on Hofstede’s model have uncovered a very small power distance, among the lowest in the world, and a moderately strong aversion to uncertainty.<sup>65</sup> It should be noted, however, that experts participating in a series of annual reviews for the global survey of entrepreneurship conducted by the Global Entrepreneurship Monitor (GEM) observed that Israeli culture encouraged “risk-taking” by entrepreneurs.<sup>66</sup> While Israel has generally been found to be in the mid-range globally with respect to collectivism, several studies have concluded that collectivism in Israel is gradually eroding for a variety of reasons.<sup>67</sup> Schwartz placed Israel’s Jewish community within his “mastery” category of cultural values, meaning that members of that community emphasized seeking to actively master and change the world and that individuals were encouraged to be independent and ambitious, strive for success and choose their own goals.<sup>68</sup>

The GLOBE researchers placed Israel within their Latin Europe cluster with Italy, Spain, Portugal, France and French-speaking Switzerland and found Israeli societal culture to be high with respect to performance orientation, in-group collectivism and humane orientation and low with respect to power distance.<sup>69</sup> With respect to leadership, Israelis

<sup>64</sup> I. Holmberg and S. Åkerblom, “Modelling Leadership—Implicit Leadership Theories in Sweden”, *Scandinavian Journal of Management*, 22 (2006), 307, 312.

<sup>65</sup> G. Hofstede, Motivation, “Leadership and Organization: Do American Theories Apply Abroad”, *Organization Dynamics*, 9 (1980), 42, 51-54.

<sup>66</sup> E. Menipaz, Y. Avrahami and M. Lerner, *Global Entrepreneurship Monitor (GEM): Israel National Entrepreneurship Report 2007* (Beersheba, Israel: Ben-Gurion University of the Negev, 2009), 71.

<sup>67</sup> See, e.g., D. Birenbaum-Carmeli, “Between Individualism and Collectivism: The Case of a Middle Class Neighborhood in Israel”, *The International Journal of Sociology and Social Policy*, 21 (2001), 1-25; P. Early, “East Meets West Meets Mideast: Further Explorations of Collectivistic and Individualistic Work Groups”, *Academy of Management Journal*, 36 (1993), 319; S. Sagy, E. Orr and D. Bar-On, “Individualism and Collectivism in Israeli society: Comparing Religious and Secular High-School Students”, *Human Relations*, 52 (1999), 327.

<sup>68</sup> S. Schwartz, “A Theory of Cultural Values and Some Implications for Work”, *Applied Psychology*, 48(1) (1999), 23.

<sup>69</sup> D. Den Hartog, R. House, P. Hanges, S. Ruiz-Quintanilla, and P. Dorfman, “Culture Specific and Cross-Culturally Generalizable Implicit Leadership Theories: Are Attributes of Charismatic/Transformational

believed that the charismatic/value based and team-oriented leadership styles were most effective and gave their strongest endorsements to leadership attributes such as integrity, visionary, inspirational, performance-oriented, decisive and team integrator. On the other hand, Israelis believed that leaders who could be characterized as autocratic, face-savers, self-centered, malevolent or procedural were ineffective.<sup>70</sup>

Antal et al. argued that a key characteristic of organizational learning among the larger Israeli companies that they studied during the 1990s was the presence and influence of visionary leaders who had the insight and courage to identify the need for changes in their organizational designs and the skills necessary for enthusing their employees about the need to make such changes and overcoming resistance to the introduction of new ideas.<sup>71</sup> Differences in leadership styles among Israeli companies studied by Antal et al. could be seen in the way that leaders responded to changes in the external environment and the managed the collection and flow of information relevant to the strategies and operations of their companies. Leaders of “centralistic” companies, which were older and more traditional and hierarchical, were slow to acknowledge that strategies and methods that had been successful in prior decades, when the Israeli was more regulated and globalization was not yet a significant factor, might not be appropriate any longer and proudly, and somewhat defiantly, pronounced their respect and adherence to traditional ways. Antal et al. reported that “unwelcome information” was often ignored by the leaders of these companies and the bearers of such information were often pushed aside, an outcome that predictably caused people to simply keep their mouths shut and not make waves that might cost them their jobs. Centralistic companies also had tall organizational structures that impeded the flow of vertical flow of information. In contrast, executives and managers from decentralized companies included in the survey had flattened their organizational structures and decentralized their decision making processes based on the belief that it was unwise and unrealistic to assume that past successes would continue that new tools were needed to cope future opportunities and threats. Leaders of these types of organizations also reformed paths for the flow of information throughout their companies and rewarded, rather than punished, reports about the external environment that could be used to improve products and services.

## §1:9 Africa

It has been observed that “corporate leadership” has been an under-researched concept in most African countries.<sup>72</sup> A number of reasons for this situation have been advanced

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Leadership Universally Endorsed?”, *The Leadership Quarterly*, 10(2) (1999), 219; and R. House et al. (Eds.) *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies* (2004).

<sup>70</sup> D. Den Hartog, R. House, P. Hanges, S. Ruiz-Quintanilla, and P. Dorfman, “Culture Specific and Cross-Culturally Generalizable Implicit Leadership Theories: Are Attributes of Charismatic/Transformational Leadership Universally Endorsed?”, *The Leadership Quarterly*, 10(2) (1999), 219; and H. Kabasakal, A. Dastmalchian, G. Karacay and S. Bayraktar, “Leadership and Culture in the MENA Region: An Analysis of the GLOBE Project”, *Journal of World Business*, 47 (2012), 519.

<sup>71</sup> A. Antal, M. Dierkes and L. Marz, “Organizational Learning in Transformation Societies”, *Journal of General Management*, 25(1) (1999), 17.

<sup>72</sup> B. Pupilampu, “Leadership as Engagement, Leadership as System Development: A Contextualised Ghanaian Study”. *European Business Review*, 22(6) (2010), 624-651.

including limited theory testing and research, the failure to view “leadership” and “management” as separate and distinguishable topics and a paucity of empirical data. In addition, traditional African societal cultural fails to distinguish between leadership and authority and it has generally been assumed that leadership skills and legitimacy, including the right to set goals for group achievement, is obtained through wisdom, old age or derived status due to occupancy of a formal position.<sup>73</sup> This assumption has undoubtedly retarded efforts to engage in research that might challenge traditional notions of African leadership. As a result, scholars have concluded that mainstream research on leadership in Africa has been unable to provide meaningful assistance on the leadership, managerial and administrative issues that present such great challenges for African organizations.<sup>74</sup> This is, of course, unfortunate given that researchers have rightly observed that African leaders face a daunting and lengthy list of challenges including socio-economic underdevelopment, “coerced modernity” and behavioral poverty that has ravaged communities all across the continent.<sup>75</sup>

The GLOBE researchers found that societies in their Sub-Saharan Africa cluster, which included Namibia, Nigeria, South Africa (Black sample), Zambia and Zimbabwe, were high on humane orientation, meaning that persons in these societies tended to have higher levels of concern for family and others than for their own well-being and personal goals.<sup>76</sup> Charismatic/value-based, team-oriented, participative and humane-oriented leadership all received strong endorsements from societies in the Sub-Saharan Africa cluster. Among all of the clusters in the GLOBE study, Sub-Saharan Africa gave the highest score among all of the clusters in the GLOBE study to the humane-oriented leadership style and expressed low enthusiasm for autonomous leadership. Accordingly, leaders in societies in the Sub-Saharan Africa cluster were most likely to be perceived as effective when they were patient, supportive and considerate and demonstrate compassion, generosity and concern for the well-being of others. On the other hand, societies in the Sub-Saharan Africa cluster disapproved of leaders who were independent, individualistic and self-centric. The predominant cultural values among West African countries tend to be high power distance, low individuality, moderate to high uncertainty avoidance, masculinity and low long-term orientation.<sup>77</sup> Family, community, hierarchy and social relationships are important influencers and characteristics of societal culture in those countries.<sup>78</sup>

<sup>73</sup> K. Dartey-Baah, K. Amponsah-Tawiah and V. Sekyere-Abankwa, “Leadership and Organizational Culture: Relevance in Public Sector Organizations in Ghana”, *Business and Management Review*, 1(4) (2011), 59 – 65, 62 (citing K. Gyekye, *African Cultural Values: An Introduction* (Accra: Sankofa Publishing, 2003).

<sup>74</sup> K. Dartey-Baah, K. Amponsah-Tawiah and V. Sekyere-Abankwa, “Leadership and Organizational Culture: Relevance in Public Sector Organizations in Ghana”, *Business and Management Review*, 1(4) (2011), 59 – 65, 61.

<sup>75</sup> J. Munene, S. Schwartz and G. Kibanja, *Escaping From Behavioural Poverty in Uganda: The Role of Culture and Social Capital* (Kampala: Fountain Publishers, 2005).

<sup>76</sup> P. Northouse, *Leadership: Theory and Practice* (4<sup>th</sup> Ed) (Thousand Oaks, CA: Sage, 2006), 313.

<sup>77</sup> K. Dartey-Baah, K. Amponsah-Tawiah and V. Sekyere-Abankwa, “Leadership and Organizational Culture: Relevance in Public Sector Organizations in Ghana”, *Business and Management Review*, 1(4) (2011), 59 – 65, 62.

<sup>78</sup> *Id.* at 62 (citing S. Aryee, “HRM in Ghana” in K. Kamoche, Y. Debra, F. Horwitz and G. Muuka (Eds.), *Managing Human Resources in Africa* (London: Routledge, 2004), 121-34).

Mutabazi suggested that there were “two contrasting leadership profiles for effectiveness in running African firms: *primus inter pares* (or first among equals) and ‘coconut’ (i.e., bask on the outside, white on the inside)”.<sup>79</sup> The first profile is the traditional African profile based on local cultural values that accept and expect ruling by “chiefs” accompanied by principles that support sociability and inter-communal relations. The second profile refers to leadership practices found in the organizational cultures of African subsidiaries of Western multinational corporations. Mutabazi argues that complete reliance on the “coconut” profile will not work because, as he explains, “the majority of local employees are profoundly attached to the *primus inter pares*”. Accordingly, it is necessary, in his view, to modulate any attempt to import and implement Western leadership practices by integrating them with local traditions and the experiences and expectations of native employees.

Mutabazi acknowledged that it was possible to identify several different methods used on the African content to organization communal relationship; however, he also argued that there were certain common social principles in countries all across Africa that served as the foundation for indigenous “African leadership”. He prepared a compilation of the “main elements of community systems of cultural coherence” which he based on research in six different countries as well a review of several specialized works on Africa. The compilation included four main lines of thought, which are discussed in more detail below, and common cultural values and behavioral norms that could be expected to influence how African leaders acted and were expected to act by their followers.<sup>80</sup>

The first main line of thought was “people’s relationship with life”. Mutabazi explained that Africans had a strong attachment to life and nature and that Africans did not follow the Western practice of conceptualizing and compartmentalizing life into work, family, life and death. Instead Africans believe that life should be lived in continuity punctuated by an ongoing series of rituals, myths, words and daily experiences with others. Life is seen as a power cycle that in which interpersonal relations are important and Mutabazi observed in all countries a strong need to link generation to generation, young to old and living to dead. In this context the leaders, or “chiefs”, served as unifiers who at once knew and understand their own positions in this never-ending cycle and assumed and fulfilled a duty to help others to identify their positions.<sup>81</sup>

The second line of thought was “people’s connection to nature” and Mutabazi noted that in all of the countries that he surveyed one of the most important duties of the leader was to “establish harmony with their community and environment”.<sup>82</sup> Mutabazi followed others in recognizing that Africa has been blessed with an abundance of natural resources and that that these resources had long been a staple of their societies and a means for survival of the African people. He pointed out that local communities had generally

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<sup>79</sup> E. Mutabazi, “Preparing African Leaders” in C. Derr, S. Roussillon and F. Bournois (Eds), *Cross-Cultural Approaches to Leadership Development* (Westport, CN: Quorum Books, 2002), 202-223, 204-205.

<sup>80</sup> *Id.* at 207.

<sup>81</sup> *Id.* at 207-208.

<sup>82</sup> *Id.* at 208.

preserved nature and viewed activities such as farming as a means for providing for the community rather than accumulating wealth. Mutabazi argued that those instances where natural resources had been pillaged could generally be traced to abuses instigated by Western companies, such as destruction caused by efforts to extract massive amounts of gold, diamonds and other rare and valuable metals. Another important point is that African saw themselves as essential parts of nature and was not appropriate for them to use their superiority to abuse plants and animals. From a leadership perspective, all this meant that those in charge had a duty and obligation to supervise any productive activities that impacted nature (e.g., agricultural, animal breeding, fishing) to ensure that they were environmentally legitimate and that the products of those activities were made available throughout the entire community for the benefit of everyone.<sup>83</sup>

The third line of thought was “people’s relationships with other humans” and Mutabazi emphasized the importance of interpersonal relationships in the midst of interactions between leaders and followers in Africa. In his words: “Interpersonal relations influence leaders’ attitudes toward work and determine the productivity of entire organizations. Good management of interpersonal relations leads to success and motivation—in companies as well as in society.”<sup>84</sup> Mutabazi went on to present a lengthy list of how “African principles of interpersonal relations” influence attitudes of leaders and followers, including the following<sup>85</sup>:

- Social organization is based on interpersonal relationships and family and clan ties, whether matrilineal or patrilineal, unites individuals and groups through common ancestors.
- African management of human relations is generally not characterized by the development of technical skills, but by the gradual adoption of a philosophy of “universal fellowship” maintained by initiation and other religious rites.
- The purposes of the aforementioned initiation and other religious rites is to make sure that activities, services and specialized knowledge is passed down through the generations and to encourage cohesion and harmony between age groups.
- Leaders must organize the various rites and rituals in a manner that identifies the specialized skills of community members and facilitate the transfer of individual knowledge to the community for the greater good of everyone.
- Initiation rites serve as the foundation for disseminating and reinforcing a common moral code that applies to all individuals and groups within the society and as a reminder that the community “has supreme and legitimate authority over behavioral norms, over community management and organization, and over individuals themselves”.
- Leaders are responsible for ensuring respect for the need to preserve harmony between generations, between professions and between community members occupying different levels of status.

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<sup>83</sup> Id. at 208-209.

<sup>84</sup> Id. at 209.

<sup>85</sup> Id. at 209-210.

- While community spirit is certainly important the specific personalities, skills and initiatives of individuals are recognized within a vertical societal framework in which everyone occupies a precise position. Traditional African values discourage the pursuit of personal gratification at the expense of the community and, as Mutabazi emphasized, “excessively egocentric attitudes are swiftly condemned”.<sup>86</sup>

The fourth and final line of thought focused on “people’s relationship with God”. For Africans, “God is the Father of fathers, the Ancestor of ancestors—a belief that explains the importance and respect Africans have traditionally given him in the education and training of their leaders”.<sup>87</sup> Mutabazi acknowledged that one finds a tremendous amount of diversity among the religious practices in Africa; however, as a general matter most Africans are familiar with the concept of the communal leader, the “chief”, being a religious figure enthroned through certain rites after many years of preparation and extensive training in the relevant cultural myths and taboos and observation of religious rite. The chief was the representative of the community’s ancestors and ensuring harmony between the living and the dead. Traditional African religion recognized and worshipped deities that were present in all aspects of human life, including daily work activities. In fact, a thorough knowledge of the specialized roles and stories of each of the deities is extremely important.<sup>88</sup>

The above-described “lines of thought” are deeply engrained in both African leaders and followers and, not surprisingly, their existence creates real challenges in implementing leadership principles associated with the “coconut” leader. For example, African followers were likely to resist the imposition of cool, formal rules and procedures in lieu of the warmer, relationship-based style of direction generally associated with traditional practices. Another important difference between the Western approach and traditional African values is the separation that Western leaders generally make between the operations of the firm and activities within the local community. Mutabazi observed that “[i]n many African firms, employees converge en masse to denounce those aspects of their managers’ behavior that do not conform to life outside work”.<sup>89</sup> In addition, different conceptualization of “time” between Westerners and Africans inevitably leads to conflicts and misunderstandings with respect to deadlines, schedules, forecasts and planning activities.<sup>90</sup> Mutabazi concluded that “coconut” policies from the West totally confuse local employees and, as such, it should not be surprising that attempts to import Western ways of thinking and doing about leadership issues to replace African values generally lead to adverse results. In his view, training initiatives for future African organizational leaders must take into account a local mentality that is “affected more by the ideal of the common good than by the importance of individual performance”.<sup>91</sup>

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<sup>86</sup> Id. at 210.

<sup>87</sup> Id. at 212.

<sup>88</sup> Id. at 211-212.

<sup>89</sup> Id. at 213.

<sup>90</sup> Id. at 211.

<sup>91</sup> Id. at 220. Mutabazi described ways that African firms are preserving the “community spirit” while moving away from some of the historical practices that had become problematic. For example, rather than practicing nepotism in hiring to provide financial support to top community officials or powerful clansman,

Not surprisingly, there is a clear difference of opinion among managers and employees in Africa regarding the optimal form of leadership style. In one survey of managers, it was found that they overwhelmingly favored a directive style of leadership, much in keeping with traditional practices. The comment was made that African workers were not ready for democracy in the workplace and managers felt that it would be abused if offered. In contrast, of course, were the responses that were received from employees for the same enterprise, many of which blamed organizational failures in Africa on leadership styles used by management and called for more “worker participation”. In particular, criticism was levied at the habit of managers to ignore the opinions of employees and to formulate decisions without input from the workers that would be affected.<sup>92</sup>

### §1:10 Confucian Asia

The GLOBE researchers found that societies in their Confucian Asia cluster, which included China, Hong Kong, Japan, Singapore, South Korea and Taiwan, were high in performance orientation, institutional collectivism and in-group collectivism. Like societies in the Anglo cluster and other clusters that scored high in performance orientation societies in this cluster were result-oriented; however, they pursued their goals through group collaboration as opposed to individualistic drive and also had higher levels of devotion and loyalties to family and members of their other in-groups.<sup>93</sup> Societies in the Confucian Asia cluster gave high marks for charismatic/value-based, team-oriented and humane-oriented leadership; however, their enthusiasm for participative leadership was among the lowest of all the societal clusters and they gave one of the strongest endorsements to self-protective leadership although this style was seen as having a mildly negative impact on leadership effectiveness.<sup>94</sup> Accordingly, leaders in societies in the Confucian Asia cluster were most likely to be perceived as effective if they focused on ensuring the safety and security of the group or group members and emphasized effective team building and implementation of a common purpose or goal among team members. However, societies in the Confucian Asia cluster did not expect their leaders to involve others in making and implementing decisions.

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companies are instead aiding the members of their communities by supply materials and/or financial aid to the entire community. Id.

<sup>92</sup> T. Ndongko, “Management Leadership in Africa”, in M. Mwaura, E. Tiagha and J. Waiguchu, *Management of Organizations in Africa: A Handbook and Reference* (Westport, CT: Praeger, 1999), 99-124, 118.

<sup>93</sup> P. Northouse, *Leadership: Theory and Practice* (4<sup>th</sup> Ed) (Thousand Oaks, CA: Sage, 2006), 310.

<sup>94</sup> While self-protective leadership was one of the most highly approved leadership styles in this cluster the mean score of just below 4 on the 1-to-7 measurement scale among societies in the cluster meant that the overall position of countries in this cluster regarding self-protective leadership actually tended to be neutral. The GLOBE researchers commented that “...the Confucian Asia and Southern Asia clusters viewed Self-Protective leadership in an almost neutral manner (with some attributes of this factor being viewed positively, such as face saving). [It has been suggested] that the concept for Asian cultures actually reflects “group-protective” rather than “self-protective” elements...” See R. House, P. Hanges, M. Javidan, P. Dorfman and V. Gupta (Eds). *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*. (Thousand Oaks CA: Sage, 2004), 702.

According to Muczyk and Holt, the preferred leadership style in Asia, other than in Japan, would be “autocratic with an emphasis on consideration”.<sup>95</sup> They noted, for example, the absence of democratic traditions in China, including in the workplace. Even in countries that had been exposed to democratic institutions the efficacy of Western leadership styles might be problematic given that democracy was not introduced to the workplace in those countries. Lee discussed the impact of Confucian thought on leadership and noted that writings about Confucian teachings had recommended that “[a] leader should cultivate himself or herself and thereby bring comfort to the people; be good both the self and the people; and rule over them with dignity and kindness”.<sup>96</sup> As to the preferred relationship between a leader and his/her subordinates, Lee reported that Confucius advised leaders “to cultivate ethical leadership for governing his/her people” and also taught that leaders should teach followers “to possess the virtue of faithfulness toward the ruler”.<sup>97</sup> Lee summarized the styles of leadership appearing in Confucian writings as both “hierarchically authoritative leadership” and “reciprocally humanitarian leadership” and noted that “the former nearly matches with charismatic leadership, because leadership as mentioned by Confucius is force of personality that induces not only a high degree of loyalty and devotion to a leader but also a high degree of trust in a leader . . . [and] . . . the latter generally matches with transformational leadership, because Confucius also encourages leaders to enhance positive moral values and higher-order needs of subordinates”.<sup>98</sup>

Taleghani et al. provided a summary of characteristics of leadership in China based on Confucian principles that included concentration of control and decision making with superiors and a failure of superiors to delegate authority to followers or include followers as participants in decision making.<sup>99</sup> In addition, while interactions between superiors and followers in China were relation-oriented the preferred organizational structures were quite hierarchical and followers did not push for participation and preferred instead to follow the maxim of “silence is golden”. Taleghani et al. also referenced forms of “administrative corruption” among Chinese leaders illustrated by a tendency among them to give priority to their own interests and those closely aligned with them and long-standing practices of hiring and promoting based on relationships with the leader rather than individual skills and talents.

Dai and Zheng observed that Confucianism has played a big role in how the Chinese have gone about identifying, selecting and managing “talent” over their long history. They noted that a long recognized prerequisite for leadership has been being a “worthy person”, which is a person who possesses “righteousness, virtue and talent”, and that

<sup>95</sup> J. Muczyk and D. Holt, “Toward a Cultural Contingency Model of Leadership”, *Journal of Leadership & Organizational Studies*, 14(4) (May 2008), 277-286, 283.

<sup>96</sup> J. Lee, “Confucian Thought Affecting Leadership and Organizational Culture of Korean Higher Education”, *Radical Pedagogy*, 3(3) (2001), International Consortium for the Advancement of Academic Publication, Athabaska University, Alberta, Canada, [http://www.radicalpedagogy.icaap.org/content/issue3\\_3/5-lee.html](http://www.radicalpedagogy.icaap.org/content/issue3_3/5-lee.html).

<sup>97</sup> Id.

<sup>98</sup> Id.

<sup>99</sup> G. Taleghani, D. Salmani and A. Taatian, “Survey of leadership styles in different cultures”, *Iranian Journal of Management Studies*, 3(3) (January 2010), 91-111, 98.

appointing such people to official positions has always been considered to be important for the stability and prosperity of the state.<sup>100</sup> It has also been written that the knowledge associated with wisdom does not come from birth and instead must be gained through training and experience, which explains why “age and experience are considered to essential components of talent”.<sup>101</sup> Dai and Zheng explained that the Chinese have expended a good deal of time and effort in identifying, selecting, appointing and evaluating “the talented”. This process includes developing and applying various criteria for identifying persons with the requisite “potential”, selecting candidates for training based on recommendations and then patiently training future leaders and continuously evaluating their progress to isolate and remediate problems.

Redding described Chinese societal culture as collectivist and high power distance, with the family serving as the core collective unit and authority being exercised within collective units in a paternalistic fashion.<sup>102</sup> Some of the fundamental Chinese cultural values described by Redding which are most relevant to leadership in China include societal order based on learning and practice by individuals of clearly defined roles; hierarchy based on legitimate paternalism at the levels of family and organization; and family-based collectivism.<sup>103</sup> Child and Warner observed that leadership status was readily ascribed to long-serving “senior figures” in Chinese organizations based on the respect for hierarchy and learning embedded in Chinese cultural values.<sup>104</sup> With respect to state-owned enterprises, one consistently observed “top-down leadership and authority, collectivism and mutual dependence, with an emphasis on conformity and attachment to the organization based on moral rather than material incentives”.<sup>105</sup> However, there are signs of changes based on a variety of factors such as the location and level of industrialization of their businesses, the level of education of the leaders and the age of the leaders (i.e., “generational” differences). For example, a comparison of Chinese managers in Guangzhou, a “cosmopolitan” city that has experienced substantial contact with foreign investors and influences, and the more traditional city of Chengdu indicated that individualism, openness to change and self-enhancement were seen as much more important by Guangzhou managers and that those managers attached less importance to

<sup>100</sup> C. Dai and Z. Zheng, “Managing Talent in China: Confucian Origins”, in C. Derr, S. Roussillon and F. Bournois (Eds.), *Cross-Cultural Approaches to Leadership Development* (Westport, CT: Quorum Books, 2002), 155-167, 156.

<sup>101</sup> Id. at 157.

<sup>102</sup> G. Redding, “The Capitalist Business System of China and its Rationale”, *Asia Pacific Journal of Management*, 19 (2002), 221-249.

<sup>103</sup> J. Child and M. Warner, “Culture and Management in China”, in M. Warner (Ed), *Culture and Management in Asia* (London: Routledge Curzon, 2003) (quoting the list appearing in S. Redding, “The Capitalist Business System of China and its Rationale”, *Asia Pacific Journal of Management*, 19 (2002), 221-249, 234-235). See also O. Shenkar and S. Ronen, “The Cultural Context of Negotiations: The Implications of Chinese Interpersonal Norms”, *Journal of Applied Behavioral Science*, 23 (1987), 263-275; M. Lockett, “Culture and the Problems of Chinese Management”, *Organization Studies*, 9(4) (1988), 475-496; S. Redding, *The Spirit of Chinese Capitalism* (Berlin: De Gruyter, 1990); M. Bond (Ed), *The Handbook of Chinese Psychology* (Hong Kong: Oxford University Press, 1996).

<sup>104</sup> J. Child and M. Warner, “Culture and Management in China”, in M. Warner (Ed), *Culture and Management in Asia* (London: Routledge Curzon, 2003).

<sup>105</sup> J. Child, *Management in China During the Age of Reform* (Cambridge: Cambridge University Press, 1994).

collectivism than their counterparts in Chengdu, although they were not willing to abandon Confucian values such as collectivism in their entirety.<sup>106</sup>

While not included in the GLOBE survey, Vietnam is another country with a strong Confucian background and it has been reported that the most effective traditional leadership style in Vietnam was a “family” style based on the foundation that business enterprises should be operated as if they were families. Leaders were expected to demonstrate care and affection for their followers and make sacrifices for them while the followers, in turn, were expected to “work with order, discipline, respect, and absolute submission to their superiors”.<sup>107</sup> The protection umbrella of the firm and its leaders extended outward to the families of employees who were promised safety and security and personal attention from the leaders. Employees were promoted in accordance with their abilities, although seniority certainly played a very big role in such decisions, and the transition of power and authority at the top levels of the organization was generally carried out smoothly as a result of a “carefully planned system of selecting, training, trying, apprenticing, sharing power, and finally passing power to heirs”.<sup>108</sup> The traditional system, and accompanying leadership roles, was undermined by the Communist system that severely reduced the influence of Confucianism; however, there are signs of a return to traditional values although it is now likely that they will be integrated with foreign influences from the West and Japan.

### §1:11 Southern Asia

The GLOBE researchers found that societies in their Southern Asia cluster, which included India, Indonesia, Malaysia, the Philippines and Thailand, were high on group collectivism, power distance and humane orientation and low on gender egalitarianism, meaning that these societies could be distinguished as highly group oriented, human, male dominated and hierarchical.<sup>109</sup> Submission to power, and reliance on groups for support, could be attributed to decades of colonial occupation and foreign ways and the high levels of power distance in these societies are not surprising given their historically rigid and hierarchical organization into various socio-economic classes. Low gender egalitarianism is consistent with a traditional role of subordination for woman that called for them to observe the commands of their father while they were children and the duties and responsibilities assigned to them by husbands and in-laws after marriage.<sup>110</sup>

Societies in the Southern Asia cluster gave their strongest endorsement to charismatic/value-based and team-oriented leadership as being the most effective styles for leaders to obtain outstanding results in Southern Asia. As explained by Gupta et al.:

<sup>106</sup> D. Ralston, N. Van Thang and N. Napier, “A Comparative Study of the Work Values of North and South Vietnamese Managers”, *Journal of International Business Studies*, 30(4) (1999), 655-672.

<sup>107</sup> N. Hoang, “Developing Future Leaders for Vietnam’s Market Economy” in C. Derr, S. Roussillon and F. Bournois (Eds.), *Cross-Cultural Approaches to Leadership Development* (Westport, CT: Quorum Books, 2002), 182-195, 191.

<sup>108</sup> Id.

<sup>109</sup> V. Gupta, G. Surie, M. Javidan and J. Chhokar, “Southern Asia cluster: Where the old meets the new?” *Journal of World Business*, 2002:37(1), 16-27, 20.

<sup>110</sup> Id.

“In other words, visionary and inspirational leaders who are decisive and performance oriented, and who have high levels of integrity and are willing to make personal sacrifices, are deemed to be effective. Furthermore, leaders who are team builders, collaborative and diplomatic are also highly valued.”<sup>111</sup> Gupta et al. observed that the societal preferences in Southern Asia with respect to leadership are consistent with the cultural characteristics of high power distance and family orientation and sketched a picture of the workplace in which “[l]eaders are expected to act as patriarchs who help subordinates aspire toward more ambitious and collective goals . . . [while making] . . . sure their actions and decisions help develop and sustain the team and family orientation in their organizations”.<sup>112</sup> Notice should also be taken of the relative popularity of two other leadership style characteristics in this cluster: humane and participative. Gupta et al. explained that this means that leaders should also strive to be modest, act in a caring fashion and, whenever possible, delegate responsibilities to others.<sup>113</sup> Southern Asia also provided the strongest support among all the clusters for self-protective leadership; however, the GLOBE researchers commented that the overall effect of this style was essentially “neutral” given the mean score for this style was just below 4 on the 1-to-7 measurement scale.<sup>114</sup>

Gupta et al. noted that the historical and political tradition within the cluster points to a preference for, and comfort with, a hierarchical system headed by a “benevolent patriarch” acting on behalf of the clan or family system.<sup>115</sup> They argue, however, that a transition toward a more egalitarian system that promotes greater individual development is needed in order for business organizations from Southern Asia to become and remain competitive. In other words, a strict adherence to a patriarchal system favoring insiders should be progressively abandoned and replaced by a system that develops the skills and capabilities of employees and creates and encourages horizontal sharing of information and knowledge in order to support speedy new product development.<sup>116</sup> It has also been suggested that leaders in Southern Asia can borrow from local behavioral models

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<sup>111</sup> Id. at 23.

<sup>112</sup> Id. at 23-24.

<sup>113</sup> In international comparisons to the results in other country clusters, managers in the Southern Asia found human leadership significant more facilitative. Id. at 24.

<sup>114</sup> The GLOBE researchers commented that “...the Confucian Asia and Southern Asia clusters viewed Self-Protective leadership in an almost neutral manner (with some attributes of this factor being viewed positively, such as face saving). [It has been suggested] that the concept for Asian cultures actually reflects “group-protective” rather than “self-protective” elements....” See R. House, P. Hanges, M. Javidan, P. Dorfman and V. Gupta (Eds). *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*. (Thousand Oaks CA: Sage, 2004), 702.

<sup>115</sup> V. Gupta, G. Surie, M. Javidan and J. Chhokar, “Southern Asia cluster: Where the old meets the new?” *Journal of World Business*, 2002:37(1), 16-27, 23-24. In international comparisons to the results in other country clusters, managers in the Southern Asia found human leadership significant more facilitative. Id. at 24.

<sup>116</sup> Gupta et al. explained that while “age” has played an extremely important role in determining status and authority within societies in this cluster it is necessary to shift toward a model in which influence is based not solely on age but on character, ability, skills and experience, a formula that is more like what is seen in Germany and Japan. V. Gupta, G. Surie, M. Javidan and J. Chhokar, “Southern Asia cluster: Where the old meets the new?” *Journal of World Business*, 2002:37(1), 16-27, 25-26.

provided by Gandhi and Mother Teresa to operate in a manner grounded in compassion, friendliness, humility and gratitude.<sup>117</sup>

Sinha observed that “India has a collectivist culture where maintaining relationships is more important than task accomplishment” and pointed out that research on leadership in India had provided support for three specific expectations of followers<sup>118</sup>: “(1) a preference for a personalized over a contractual relationship with the leader<sup>119</sup>; (2) a tendency to depend on a leader for guidance, direction, and support<sup>120</sup>; and (3) a willingness to accept the superior status of the leader, i.e. a preference to work in a superior-subordinate rather than a peer relationship<sup>121</sup>”. Sinha’s own research led to the conclusion that Indian followers who shared the aforementioned expectations would be most comfortable working under a “nurturant-task” leader, who is someone that “cares for his subordinates, shows affection, takes personal interest in their well-being, and above all is committed to their growth” and yet, in order to be effective, conditions nurturance on the accomplishment of assigned tasks by the subordinate.<sup>122</sup> A nurturant leader provides support to subordinates in their attempts to complete their tasks by carefully structuring their roles and making sure that subordinates understand and accept the goals that have been set for them. At the same time, the leader expects subordinates to work hard and strive to maintain a high level of productivity. The intense interaction between a leader and his or her followers should, if done correctly, lead to “a relationship of understanding, warmth, and interdependence”.<sup>123</sup>

It should be noted that India’s preferences regarding leadership styles in the GLOBE study were generally aligned with the average for all of the countries in that cluster with charismatic and team-oriented leadership designated as most effective.<sup>124</sup> Jagdeep et al. explained that Indian managers expected their leaders to be flexible in their behavior and display a complex mixture of leadership styles depending on the situations they face, and that they were expected to be pro-active, morally principled and ideological, and bold and assertive; as compared to reactive, pragmatic and instrumental, and quiet and nurturing styles respectively.<sup>125</sup> An overwhelming majority of the respondents in the GLOBE survey maintained that ideological and moral commitment was essential for outstanding

<sup>117</sup> See S. Charkraborty, *Management by Values* (Bombay: Oxford University Press, 1991).

<sup>118</sup> J. Sinha, “A model of effective leadership styles in India” in A. Jaeger and R. Kanungo, *Management in Developing Countries* (London: Routledge, 1990), 252-263, 252.

<sup>119</sup> Citing I. Dayal, *Cultural factors in designing performance appraisal system* (New Delhi: SRC Industrial Relations and Human Performance, 1976).

<sup>120</sup> Citing J. Sinha, *Development Through Behavior Modification* (Bombay: Allied Publishers, 1970).

<sup>121</sup> Citing R. Kothari, *Politics in India* (New Delhi: Orient Longman, 1970).

<sup>122</sup> See J. Sinha, *The Nurturant Task Leader* (New Delhi: Concept Publishing, 1980) and J. Sinha, “A model of effective leadership styles in India”, *International Studies of Management and Organization*, 14(2-3) (1984), 86-98.

<sup>123</sup> J. Sinha, “A model of effective leadership styles in India” in A. Jaeger and R. Kanungo, *Management in Developing Countries* (London: Routledge, 1990), 252-263, 253.

<sup>124</sup> V. Gupta, G. Surie, M. Javidan and J. Chhokar, “Southern Asia cluster: Where the old meets the new?” *Journal of World Business*, 2002:37(1), 16-27, 23.

<sup>125</sup> Jagdeep S. Chhokar, *Leadership and Culture in India: The GLOBE Research Project*, [http://www.hs-fulda.de/fileadmin/Fachbereich\\_SW/Downloads/Profs/Wolf/Studies/india/india.pdf](http://www.hs-fulda.de/fileadmin/Fachbereich_SW/Downloads/Profs/Wolf/Studies/india/india.pdf) [Accessed September 13, 2012].

leadership. Cappelli et al. reported that Indian executives who were questioned about why they were successful consistently pointed to their employees as being most important and did not mention factors typically touted by CEOs in the West such as clever strategies, efforts of the top management team, financial markets, mergers and acquisitions or deal making<sup>126</sup> Also of interest is a comparative study of leadership practices of Indian and US executives that found that the Indians outscored their US counterparts with respect to use of leadership practices described as challenging, modeling, inspiring and enabling, but lagged behind US executives with respect to relying on encouragement as a primary leadership tool.<sup>127</sup>

### §1:12 Middle East (Arab)

The GLOBE researchers found that societies in their Middle East (Arab) cluster, which included Egypt, Iran, Kuwait, Morocco, Qatar and Turkey<sup>128</sup>, were high on in-group collectivism and low on future orientation, gender egalitarianism, and uncertainty avoidance. Societies in this cluster had high levels of devotion and loyalties to family and members of their other in-groups (e.g., people belonging to the same region or same school) and shied away from relying on strategic planning and rules and laws to control and order their current and projected future environment. In addition, gender inequality was higher in the societies in this cluster and it was uncommon to find women in positions of status that included the authority to give directions to men.<sup>129</sup> While political influences, notably colonialism, play an important role in societal culture in this cluster a fundamental influence is the domination of Islam given that more than 90% of the residents of this cluster are Muslims.<sup>130</sup>

Leaders in societies in the Middle East (Arab) cluster are most likely to be perceived as effective if they focus on ensuring the safety and security of the group or group members. Preferred leadership behaviors among these societies include being status- and class-conscious, ritualistic, procedural, normative, secretive, evasive, indirect, self-centered and asocial. Among the ten societal clusters identified and analyzed by the GLOBE researchers, societies in the Middle East (Arab) cluster had the strongest disapproval ratings for leaders who strove to inspire and motivate and expected high performance outcomes from others on the basis of firmly held core values (i.e., “charismatic/value-based” leadership), who involved subordinates in making and implementing decisions (i.e., “team-oriented” leadership), or who emphasized effective team building and

<sup>126</sup> P. Cappelli, H. Singh, J. Singh and M. Unseem, “Leadership Lessons from India”, Harvard Business Review (March 2010).

<sup>127</sup> S. Kakar, S. Kakar, M. KesdeVries and P. Vrignaud, “Leadership in Indian Organizations from a Comparative Perspective”, International Journal of Cross Cultural Management, 2 (August 2002), 239-250.

<sup>128</sup> For further information on this cluster, see H. Kabasakal and M. Bodur, “Arabic cluster: A bridge between East and West,” Journal of World Business, 37(1) (2002), 40-54. They noted that the results and commentaries on the included countries would likely also be applicable to other Middle Eastern countries that did not participate in GLOBE such as Algeria, Tunisia or Bahrain. See also various articles in Volume 50 of Applied Psychology: An International Review published in 2001 that include specific findings regarding several of the countries included in the Middle East cluster.

<sup>129</sup> P. Northouse, Leadership: Theory and Practice (4<sup>th</sup> Ed) (Thousand Oaks, CA: Sage, 2006), 312.

<sup>130</sup> For further information on this cluster, see H. Kabasakal and M. Bodur, “Arabic cluster: A bridge between East and West,” Journal of World Business, 37(1) (2002), 40-54, 44.

implementation of a common purpose or goal among team members (i.e., “participative” leadership).<sup>131</sup> The leadership profile of the Middle East (Arab) cluster is moderately similar to the profile for the clusters such as Southern Asia, Confucian Asia and Latin America that also highly endorse the self-protective leadership style; however, there are other substantial differences in the remainder of the leadership profiles for all of those clusters. The leadership profile of the Middle East (Arab) cluster is strongly different than the profiles of the Sub-Saharan Africa, Nordic Europe and Anglo clusters. Leaders from the US and other societies in the Anglo cluster can expect substantial difficulties in deploying their preferred leadership styles in the Middle East (Arab) cluster.

While, as noted above, their enthusiasm for team-oriented leadership was decidedly less than any of the other societal clusters, societies in the Middle East (Arab) cluster gave it and charismatic leadership the strongest endorsements among the various leadership styles. Consistent with the region’s family orientation and in-group orientation, Arab leaders “are expected to be team integrators and to engage in collaborative team-orientation” and “exhibit characteristics that are collaborative, loyal and consultative”. Charismatic leaders, such as Ataturk from Turkey and Nassar from Egypt, are visionary, transformational and future oriented risk takers who are also decisive, logical and performance-oriented. Kabasakal and Bodur caution, however, that the GLOBE results appear to indicate that the contribution of leaders in the Middle East to effectiveness is more modest than in other societal clusters.<sup>132</sup> This contrasts to the research of others who found that leadership is perceived as an important concept that is vital to the welfare of society and organizations. It has also been noted that the aforementioned transformational leaders also “retained their patrimonial and paternalistic styles of leadership”, which included an organizational style in which the leader remained the center of all important ideas and strategies and the initiator of all programs and policies. Kabasakal and Bodur concluded that “[t]he outstanding leader is the person who is able to bring in paternalism with the capacity to generate change”.<sup>133</sup>

Muczyk and Holt suggested that the autocratic leadership style was generally recommended in the Middle East combined with “heavy doses of concern for production and consideration”. They noted that “[i]n the Middle East, with the exception of Israel, there are no democratic traditions” and that “the touchstone of good leadership in that part of the world seems to have revolved around the concept of justice, not

<sup>131</sup> Among the ten societal clusters the Middle East (Arab) cluster had the strongest disapproval ratings of charismatic/value-based, team oriented and participative leadership; however, the mean scores within the cluster with respect to those leadership styles of 5.35, 5.47 and 4.97, respectively, were still well above the mid-point of 4 on the 1-to-7 measurement scale.

<sup>132</sup> H. Kabasakal and M. Bodur, “Arabic cluster: A bridge between East and West,” *Journal of World Business*, 37(1) (2002), 40-54, 51. They explained that “[n]one of the leadership styles received very high or very low scores compared to other clusters”. For example, among the ten societal clusters the Middle East cluster had the lowest approval ratings of charismatic/value-based, team oriented and participative leadership; however, the mean scores within the cluster with respect to those leadership styles of 5.35, 5.47 and 4.97, respectively, were still well above the mid-point of 4 on the 1-to-7 measurement scale.

<sup>133</sup> H. Kabasakal and M. Bodur, “Arabic cluster: A bridge between East and West,” *Journal of World Business*, 37(1) (2002), 40-54, 51.

democracy”.<sup>134</sup> As far as rewards are concerned, Middle Eastern cultures are probably more receptive to recognition based on group and organizational performance measures rather than on individual performance. Muczyk and Holt also commented that leaders should include family members of subordinates in organizational social functions in the Middle East.

Taleghani et al. commented that “[l]eadership behavior in Arabic societies is influenced by tribal traditions on the one hand and Western methods on the other hand”.<sup>135</sup> They declared traditional leadership in the Middle East to be based on a “paternalism system” in which leaders behaved like fathers toward their subordinates and directed with an authoritative style. Tribal relations were strong and important and leaders were reluctant to trust and work with persons outside of their extended families. In that regard, nepotism played a big role in recruiting and promotional decisions. Organizational structures were hierarchical and while regulations and rules may be implemented they were generally diluted by exceptions based on personalities.

Turkey is one of the more interesting members of the Middle East cluster. While Turkey has accommodated a wide range of Western values and practices, as well as implementing a secular democracy that is unique among Muslim cultures, it cannot be forgotten that 99.8% of the population is Muslim and religion is still a fundamental influence on all facets of life in Turkey including the way that business is conducted and the manner that leaders and subordinates interact in the workplace.<sup>136</sup> Hofstede’s study of the cultural profiles of a number of countries around the world found Turkey to be relatively collectivistic, hierarchical (i.e., high power distance) and uncertainty avoiding<sup>137</sup>; however, subsequent studies indicated that the socio-cultural environment in Turkey was changing such that the country was becoming less extreme with respect to each of the aforementioned cultural dimensions.<sup>138</sup> The GLOBE researchers found that Turkey scored above the average among the surveyed countries with respect to in-group collectivism, power distance and assertiveness and below the average scores of the other

<sup>134</sup> J. Muczyk and D. Holt, “Toward a Cultural Contingency Model of Leadership”, *Journal of Leadership & Organizational Studies*, 14(4) (May 2008), 277-286, 283. They noted that the region had a history of autocratic rule and that “[a]n autocrat ruled so long as he was on good behavior . . . [i]n other words, if he treated his subjects in an evenhanded way, honored their traditions, did not publicly flout the Koran, and did not levy onerous taxes, he was expected to rule for life”. Id.

<sup>135</sup> G. Taleghani, D. Salmani and A. Taatian, “Survey of leadership styles in different cultures”, *Iranian Journal of Management Studies*, 3(3) (January 2010), 91-111, 104.

<sup>136</sup> See also M. Arslan, “A Cross-Cultural Comparison of British and Turkish Managers in Terms of Protestant Work Ethic Characteristics,” *Business Ethics: A European Review* 9(1) (2000), 13-21.

<sup>137</sup> G. Hofstede, *Culture’s Consequences: International differences in Work-related Values* (Beverly Hills, CA: Sage, 1980)

<sup>138</sup> M. Goregenli, “Individualist-collectivist tendencies in a Turkish sample”, *Journal of Cross-Cultural Psychology*, 28(6) (1997), 787-94 (less collectivistic); Z. Aycan, R. Nanungo, M. Mendonca, K. Yu, J. Deller, G. Stahl and A. Khursid, “Impact of culture on human resource management practices: a ten country-comparison”, *Applied Psychology: An International Review*, 49(1) (2000), 192-220 (less collectivistic and hierarchical); and H. Kabasakal and M. Bodur, “Leadership values and institutions: the case of Turkey”, Paper presented at Western Academy of Management Conference, Istanbul, June 1998 (less uncertainty avoiding).

surveyed countries on the remaining dimensions tested in that survey.<sup>139</sup> In Schwartz's study of cultural values in 34 countries Turkey ranked above the average on several dimensions including, from highest to lowest, hierarchy, conservatism, egalitarian commitment and harmony.<sup>140</sup>

Pasa et al. described business life in Turkey as being “dominated by private holding companies that are run by family members as well as state economic enterprises” and noted that the family members selected to lead private firms are given the important responsibility of establishing and maintaining good relations with state officials who are in a position to allocate financial incentives and establish and change important governmental policies.<sup>141</sup> Other researchers have noted that businesspeople in Turkey are expected to adhere to core Islamic values such as honesty, respect and obedience to elders; avoid practices that are dishonest, fraudulent, deceptive or coercive; and refrain from engaging in hoarding, speculation and collusion among producers.<sup>142</sup> Studies of characteristics of organizational structure within Turkish companies have often found that such companies tend to be hierarchical with centralized decision making and little in the way of delegation of authority.<sup>143</sup>

As to organizational culture, Pasa et al. found that the most prevalent values among the Turkish firms they surveyed were collectivism, performance orientation and uncertainty avoidance, with collectivism being the most dominant organizational value.<sup>144</sup> In the same study, collectivism was found to be strongly correlated with “paternalistic-considerate” leadership behaviors. Interestingly, power distance, which was strongly correlated with “hierarchical-autocratic” leadership behaviors, lagged well behind the aforementioned values with respect to the number of times it was reported. This was perhaps an indicator of changes in leadership behaviors that might be required in order for leaders to be more effective and align their styles and actions to the organizational

<sup>139</sup> H. Kabasakal and M. Bodur, “Leadership, values and institutions: The case of Turkey” (Bogazici University Research Papers, Istanbul, 1998) (as cited in S. Pasa, H. Kabasakal and M. Bodur, “Society, Organisations and Leadership in Turkey”, *Applied Psychology: An International Review*, 50(4) (2001), 559-589, 568).

<sup>140</sup> S. Schwartz, “Individualism-collectivism: Critique and proposed refinements”, *Journal of Cross-Cultural Psychology*, 21 (1990), 139-157.

<sup>141</sup> S. Pasa, H. Kabasakal and M. Bodur, “Society, Organisations and Leadership in Turkey”, *Applied Psychology: An International Review*, 50(4) (2001), 559-589, 568 (citing H. Kabasakal and M. Bodur, “Leadership, values and institutions: The case of Turkey” (Bogazici University Research Papers, Istanbul, 1998)). Other researchers have also described Turkish organizations as “family-type”. See, e.g., F. Trompenaars and C. Hampden-Turner, *Riding the waves of culture: Understanding cultural diversity in global business* (2<sup>nd</sup> Ed) (New York: McGraw-Hill, 1998).

<sup>142</sup> A. Zapalska, D. Brozik and S. Shuklian, “Economic System of Islam and Its Effect on Growth and Development of Entrepreneurship,” *Problems and Perspectives in Management*, 1/2005.

<sup>143</sup> See, e.g., S. Ronen, *Comparative and multinational management* (New York: John Wiley & Sons, 1986); F. Trompenaars and C. Hampden-Turner, *Riding the waves of culture: Understanding cultural diversity in global business* (2<sup>nd</sup> Ed) (New York: McGraw-Hill, 1998).

<sup>144</sup> S. Pasa, H. Kabasakal and M. Bodur, “Society, Organisations and Leadership in Turkey”, *Applied Psychology: An International Review*, 50(4) (2001), 559-589, 571-574. Items particularly valued among the surveyed firms included love and respect, maintenance of harmony, “doing the job well” and behaving in accordance with work rules. Self-sacrifice and being devoted were also considered to be important. Id. at 573.

cultures in which they operated. As noted below, respondents in the survey conducted by Pasa et al. indicated that while “hierarchical-autocratic” leadership was the more prevalent style there was a preference for “paternalistic-considerate” behaviors.

Several studies of leadership styles in Turkey have been conducted; however, the results have been mixed. Aycan and Kanungo found relations between superiors and subordinates in Turkey to be paternalistic<sup>145</sup>, which Aycan later explained as meaning that “people in authority assume the role of a parent and consider it an obligation to provide support and protection to those under their care . . . [and] [s]ubordinates, in turn, reciprocate such care, support and protection of the paternal authority by showing loyalty, deference and compliance to him/her”.<sup>146</sup> In contrast, Dilber described the leaders of business organizations in Turkey as “authoritarian” and urged an attempt to transition toward “benevolent paternalism” as an effective alternative.<sup>147</sup> Fikret-Pasa actually concluded that the dominant leadership style in Turkey was “benevolent paternalism”, which was based on a combination of “granted authority” (i.e., which means tacit influence afforded leaders due to the high power distance in Turkish culture) and “sharing of responsibility” of the followers.<sup>148</sup> In the GLOBE survey Turkey showed a strong preference, in fact highest among the countries in the Middle East cluster, for team-oriented and charismatic leadership styles.<sup>149</sup>

Pasa et al. collected and analyzed responses from employees and middle managers in several Turkish organizations in order to determine the dominant observed leadership values and behaviors (i.e., “leadership style”) in Turkish organizations and create a profile of “perceived ideal leader behaviors” in Turkish culture.<sup>150</sup> The researchers found evidence of four observed leadership styles within the surveyed organizations and determined that the “autocratic and hierarchical” leadership style was identified significantly more often than the other three. The second highest responses were given for the “paternalistic and considerate” style while the remaining two styles—“transactional and team oriented” and “laissez-faire” lagged substantially behind. Pasa et al. explained that “autocratic-hierarchical” leaders “kept the hierarchy of the organization and controlled the work to make sure it was done well” while a “paternalistic-considerate” leader was someone “who cares for the subordinates, helps out with their problems, and wants to be popular among them”.

<sup>145</sup> Z. Aycan and R. Kanungo, “Paternalism: towards conceptual refinement and operationalization”, Paper presented at the 14<sup>th</sup> International Congress of Cross-Cultural Psychology, USA, August 1998.

<sup>146</sup> Z. Aycan, “Human resource management in Turkey: Current issues and future challenges”, *International Journal of Manpower*, 22(3) (2001), 252-260, 252.

<sup>147</sup> M. Dilber, *Management in the Turkish private sector industry* (Ann Arbor, MI: University Microfilms, Inc., 1967).

<sup>148</sup> S. Fikret-Pasa, “Leadership influence in Turkey: The case of a high power distance and collectivist culture”, Unpublished manuscript cited in S. Pasa, H. Kabasakal and M. Bodur, “Society, Organisations and Leadership in Turkey”, *Applied Psychology: An International Review*, 50(4) (2001), 559-589, 567.

<sup>149</sup> H. Kabasakal and M. Bodur, “Arabic cluster: A bridge between East and West,” *Journal of World Business*, 37(1) (2002), 40-54, 50.

<sup>150</sup> S. Pasa, H. Kabasakal and M. Bodur, “Society, Organisations and Leadership in Turkey”, *Applied Psychology: An International Review*, 50(4) (2001), 559-589, 569 (description of methodology).

Pasa et al. also collected information, using focus group and in-depth interviews, to identify the attributes of “ideal leaders” in the eyes of the respondents. Highlights of the leadership profile that emerged included the following<sup>151</sup>:

- Leaders should display “paternalistic” characteristics as evidenced by a concern for the private problems of followers, a willingness to take the initiative in making decisions on behalf of employees with respect to the private problems, attendance at social events related to employees’ families, acting like one of the employees at organizational social events and, in general, creating a “family-like” atmosphere in the workplace. In summary, it was believed that leaders should act like a father and take of followers in the same way as a parent would tend to his or her children.<sup>152</sup>
- Leaders should act as effective “team integrators”, which calls for communicating and sharing information with followers and creating an environment in which everyone feels comfortable openly sharing ideas. In addition, leaders should be accessible, empathetic, possess good human relations and listen carefully to communications from followers.
- Leaders should be an effective administrator, which means knowing what is going on within the organization at all times and delegating tasks with clear instructions. As an administrator the leader should allow subordinates to carry out his or her instructions and not interfere in the execution phase unless and until a mistake has been made or some other problem arises.
- Outstanding leaders are expected to have “collaborative team-orientation” and “encourage participation, install a corporate/team culture in followers, seek acceptance and try to increase acceptance of decisions”.<sup>153</sup> As part of this process a leader is expected to be a good listener who serious take into account the opinions and ideas of others regardless of their status or position. It should be noted, however, that in Turkey “participation” does not mean that leaders are obligated to take the opinions of followers into account when make decisions or achieve a consensus before issuing directions. In fact, a person is perceived to be an outstanding leader in Turkey if he or she is “decisive”. It is sufficient if leaders are willing and able to make followers feel like they are part of a group.
- Outstanding leaders have many characteristics normally associated with “charismatic-transformational” leadership such as being “action-oriented, assertive, and non-procedural; carrying qualities of equanimity and integrity, being diplomatic, self-confident; and development-oriented, inspirational, and visionary”.<sup>154</sup>

### §1:13 Latin America

Data from the Hofstede studies indicated that the general profile of societal cultures among Latin American countries was high power distance, high uncertainty avoidance,

<sup>151</sup> Id. at 575-582.

<sup>152</sup> Pasa et al. noted that leader intervention in “private matters” of his or her employees, while apparently an important behavior in Turkish culture, might be seen as too intrusive in many Western societies regardless of the good intentions of the leader. Id. at 575.

<sup>153</sup> Id. at 575-580.

<sup>154</sup> Id.

low individualism (i.e., high collectivism) and high masculinity. In fact, many Latin American countries could be found at the extreme ends of the continuum for each of these measures: power distance (Mexico and Venezuela tied for second highest); uncertainty avoidance (Peru, Chile and Argentina among the six highest scores); individualism (Venezuela and Columbia with the two lowest scores); and masculinity (Venezuela and Mexico among the five highest scores). The GLOBE researchers found that societal clusters in their Latin America cluster, which included Argentina, Bolivia, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico and Venezuela<sup>155</sup>, were high in in-group collectivism and low on performance orientation, future orientation, institutional collectivism and uncertainty avoidance. It is interesting to note that the GLOBE study results indicated that while the values among Latin American countries were strongly collectivist those countries scored lowest among the GLOBE country clusters with respect to institutional collectivist practices. Apparently, while loyalty and devotion to the family and to other in-groups were clearly important priorities in these societies there was far less interest in devotion to organizational and societal groups as a whole.<sup>156</sup>

The GLOBE researchers found that societies in their Latin America cluster attached a high level of importance/endorsement to charismatic/value-based and team-oriented leadership and also gave high marks to participative leadership. The Latin America cluster also scored high on the self-protective dimension relative to the other clusters; however, self-protective leadership was seen as being modestly ineffective given that the score on that dimension was below 4 on the 1-to-7 measurement scale used by the researchers. Accordingly, leaders in societies in the Latin America cluster were most likely to be perceived as effective when they strove to inspire and motivate and expected high performance outcomes from others on the basis of firmly held core values. Other highly valued and praised leadership behaviors among Latin American societies included emphasizing effective team building and implementation of a common purpose or goal among team members and focusing on ensuring the safety and security of the group or group members.<sup>157</sup> On the other hand, societies in the Latin America cluster disapproved of leaders who were independent, individualistic and self-centric.<sup>158</sup>

<sup>155</sup> For further information on this cluster, see J. Jesuino, "Latin Europe cluster: From South to North," *Journal of World Business*, 37(1) (2002), 81-89. McIntosh and Irving cautioned that the findings from GLOBE should be viewed with care since there was a danger of "placing all the cultures of Latin America into one large stereotype" and ignoring the very real and significant differences between countries. They also pointed out that Brazil, with its Portuguese background, was combined with a number of countries from Spanish-speaking Latin America. T. McIntosh and J. Irving, "Evaluating the Instrumento de Contribución al Liderazgo de Siervo (ICLS) for Reliability in Latin America", *Journal of Virtues and Leadership*, 1(1) (2010), 30-49, 36.

<sup>156</sup> P. Northouse, *Leadership: Theory and Practice* (4<sup>th</sup> Ed) (Thousand Oaks, CA: Sage, 2006), 312.

<sup>157</sup> Muczyk and Holt also speculated that reward systems in Central and South America would work best when they were based on group or organizational measures of performance. J. Muczyk and D. Holt, "Toward a Cultural Contingency Model of Leadership", *Journal of Leadership & Organizational Studies*, 14(4) (May 2008), 277-286, 283.

<sup>158</sup> In fact, among the ten societal clusters the Latin America cluster had the lowest level of association between the autonomous leadership style and outstanding leadership—a mean score within the cluster of 3.51, below the mid-point of 4 on the 1-to-7 measurement scale. P. Dorfman, P. Hanges and F. Brodbeck, "Leadership prototypes and cultural variation: The identification of culturally endorsed implicit theories of

Based on review of a number of studies of leadership in Latin America, McIntosh and Irving observed that “[t]he predominant leadership style in Latin America coming from the Spanish conquest, continuing through the colonial and early independence periods, and extending to today is caudillaje or caudillismo”<sup>159</sup> and explained that these terms have been defined as “dictator” and “dictatorship”, respectively.<sup>160</sup> They also noted that the term cacique has been used and that this term has been defined as “[t]he first of his village or the republic, the one who more authority or power and who because of his prides wants to make himself feared and obeyed by all of his inferiors”.<sup>161</sup>

While, without explanation, the term caudillismo sounds extreme to those coming from an Anglo cultural background in fact for Latin Americans such a person is perceived as a dynamic and charismatic leader who has a special ability to inspire intense loyalty among his or her followers and drive them toward the pursuit of higher ideals. It is this quest for higher ideals that causes Latin Americans to accept this leadership style as legitimate and appropriate and thus explains why complex and often mean-spirited leaders such as Castro and Juan Perón came to power.<sup>162</sup> Unfortunately, the caudillo is also driven to accumulate power and wealth using interpersonal skills and a strategy of retaining control, refusing to delegate authority and dispensing favors to family and friends as a means of creating alliances that will allow the caudillo to remain in power. McIntosh and Irving noted that the capacity to dominate women, or machismo, is on the most common attributes of Latin American leaders, and explained further: “Caudillos are almost always male and leadership in Latin America reflects that domination. Machismo is also defined as the readiness to use violence. The qualities of successful leadership rest in the person, not in the office, as the person only maintains his position through his machismo and his connectedness.”<sup>163</sup>

Research conducted by Romero led to support for the idea that the patrón style of leadership had become the predominant influence in Latin America and that leaders

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leadership,” in R. House, P. Hanges, M. Javidan, P. Dorfman and V. Gupta (Eds). *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*. (Thousand Oaks CA: Sage, 2004).

<sup>159</sup> T. McIntosh and J. Irving, “Evaluating the Instrumento de Contribución al Liderazgo de Siervo (ICLS) for Reliability in Latin America”, *Journal of Virtues and Leadership*, 1(1) (2010), 30-49, 33 (citing G. Dealy, *The Latin Americans: Spirit and ethos* (Boulder, CO: Westview Press, 1992); G. Dealy, “The public man” in H. Hamill (Ed.), *Caudillos: Dictators in Spanish America* (Norman, OK: University of Oklahoma Press, 1992), 42-61; and E. Romero, “Latin American leadership: El patrón & El líder modern”, *Cross Cultural Management: An International Journal*, 11(3) (2004), 25-37).

<sup>160</sup> T. McIntosh and J. Irving, “Evaluating the Instrumento de Contribución al Liderazgo de Siervo (ICLS) for Reliability in Latin America”, *Journal of Virtues and Leadership*, 1(1) (2010), 30-49, 33 (citing H. Hamill (Ed.), *Caudillos: Dictators in Spanish America* (Norman, OK: University of Oklahoma Press, 1992)).

<sup>161</sup> T. McIntosh and J. Irving, “Evaluating the Instrumento de Contribución al Liderazgo de Siervo (ICLS) for Reliability in Latin America”, *Journal of Virtues and Leadership*, 1(1) (2010), 30-49, 34 (citing F. Chevalier, “The roots of caudillismo” in H. Hamill (Ed.), *Caudillos: Dictators in Spanish America* (Norman, OK: University of Oklahoma Press, 1992), 27-41, 30).

<sup>162</sup> P. Smith, “The search for legitimacy” in H. Hamill (Ed.), *Caudillos: Dictators in Spanish America* (Norman, OK: University of Oklahoma Press, 1992), 95-105.

<sup>163</sup> T. McIntosh and J. Irving, “Evaluating the Instrumento de Contribución al Liderazgo de Siervo (ICLS) for Reliability in Latin America”, *Journal of Virtues and Leadership*, 1(1) (2010), 30-49, 34.

relying on this style: “can be described as autocratic and directive; seldom delegate work; seldom use teams; use formal top-down communication as the normal mode of communication; avoid conflict and are relationship oriented; and are expected to be assertive and aggressive”.<sup>164</sup> However, Romero believed, based on his research, that there were signs of a potential shift toward a more “modern”, or Anglo, leadership style (i.e., “participative and supportive”) due to several factors such as higher levels of interaction with multinational firms from industrialized countries, accompanied by exposure to the leadership styles used in those firms; stronger economic growth and modernization of the local economies, each of which will provide more fertile ground for participative leadership styles; and an increase in the role of women in the workplace, including the advance of women to leadership positions.<sup>165</sup> Still another emerging transition in Latin America is the growing interest in the applicability of servant leadership although admittedly there is a high level of skepticism as to whether the change in societal values necessary for that form of leadership to be successful can be achieved.<sup>166</sup>

Bentley, relying on his own research and the work of others such as Hofstede, offered the following as his “tentative conclusions” about the impact that traditional cultural values in Latin America were likely to have on leadership and organizations in that region<sup>167</sup>:

- A large gap exists between those who hold power and those who are expected to respond to power—in other words, high power distance. As a result authority in the hands of superiors is important and generally is accepted and respected by subordinates. Subordinates are slow to disagree with their superiors, awarding them the right, as well as the responsibility, for making decisions in whatever manner the superiors see fit.<sup>168</sup>
- Uncertainty and ambiguity create discomfort in Latin American societies and this leads to resistance to change, low levels of risk taking, efforts to reduce and smooth over conflicts and the reluctance of subordinates to proactively initiate actions and projects.
- Belonging and fitting in with the group are extremely important in Latin America and the same can be said for traditional ways of dealing with problems that may arise.

<sup>164</sup> E. Romero, “Latin American leadership: El patrón & El líder modern”, *Cross Cultural Management: An International Journal*, 11(3) (2004), 25-37, 30.

<sup>165</sup> *Id.* at 31.

<sup>166</sup> T. McIntosh and J. Irving, “Evaluating the Instrumento de Contribución al Liderazgo de Siervo (ICLS) for Reliability in Latin America”, *Journal of Virtues and Leadership*, 1(1) (2010), 30-49, 37 (including citations to various studies of servant leadership in Latin America).

<sup>167</sup> J. Bentley, “New Wine in Old Bottles: The Challenges of Developing Leaders in Latin America” in C. Derr, S. Roussillon and F. Bournois (Eds), *Cross-Cultural Approaches to Leadership Development* (Westport, CN: Quorum Books, 2002), 28-50, 35.

<sup>168</sup> Another researcher, commenting on organizational leaders in Mexico, observed that a typical leader in that country “experiences the organization as paternalistic and hierarchical, and, as in many Latin cultures, the father decides how [things] should be done”. See F. Trompenaars, *Riding the Waves of Culture* (Chicago: Irwin, 1994), 9. However, while “autocratic” leadership has traditionally been expected in Latin American countries, researchers have cautioned that leaders should not ignore the need for consideration when interacting with subordinates. J. Muczyk and D. Holt, “Toward a Cultural Contingency Model of Leadership”, *Journal of Leadership & Organizational Studies*, 14(4) (May 2008), 277-286, 283.

Among subordinates it is expected that their organizations, and their superiors, will take care of them and be mindful of their well-being.

- Consistent with the dominant masculine cultural values of taking charge and domination, subordinates in Latin America believe that an effective leader is someone who is aggressive and decisive.

Bentley analyzed some of the ways traditional Latin American cultural values might impact business practices and make it more difficult for Latin American business organizations to compete successfully in a rapidly changing global business environment. For example, the cultural belief that “decisions are made by those in authority; others need not be consulted”, as well as the reluctance among subordinates to question the decisions of their superiors, may ultimately lead to an inability of organizations to expeditiously solve problems and implement strategies. Similarly, adherence to hierarchical organizational structures can impede planning and slow the processing of changes that may be needed to become and remain competitive. Another problem is that while “[s]trong beginnings are valued; systematic follow-up is difficult and often not recognized”, a characteristic that undermines attempt to implement performance management systems. In addition, the practice in many Latin American cultures of withholding information in order to gain or maintain power stifles communication and sharing of information within organizations, thus reducing the efficiency of decision making processes. Finally, the commonly accepted practice of recruiting and promoting based primarily, if not solely, on education or family ties can be perceived as unfair among workers and ultimately reduce their motivation to perform.<sup>169</sup>

Bentley argued that Latin American countries needed “a new and emerging global business culture” in order for them to be successful in the future and listed the important characteristics of this “culture” as the following: new approaches for exercising power and authority; successful processes of empowerment at all levels in the organization; faster cycle times to respond for strong demands for faster decision making and faster and more successful follow up; strong commitment to customer satisfaction; high levels of organization flexibility and adaptability; willingness to embrace change; and successful development and utilization of diverse talents and abilities.<sup>170</sup> However, he recognized that the culturally-based habits and practices described above would be difficult to shed. For example, long-standing preferences for decision making by those in authority, and deference for such authority, makes it difficult to embrace new participatory leadership approaches. On top of all this, other cultural values and beliefs must be overcome. One illustration is how change, flexibility and adaptability can be achieved in the midst of aversions to uncertainty or ambiguity. Another problem could be expected when human resource development initiatives identify and nurture talent outside of the leader’s immediate family and friends and displace them from positions in the organization.

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<sup>169</sup> J. Bentley, “New Wine in Old Bottles: The Challenges of Developing Leaders in Latin America” in C. Derr, S. Roussillon and F. Bournois (Eds), *Cross-Cultural Approaches to Leadership Development* (Westport, CN: Quorum Books, 2002), 28-50, 37.

<sup>170</sup> *Id.* at 39-40.

Bentley persisted in his belief that “[t]he old versions of . . . ‘the path to success’ have become obsolete and must be changed”<sup>171</sup> and offered the following prescriptions and recommendations for creating a new leadership paradigm in Latin America<sup>172</sup>:

- Potential Latin American leaders need to be exposed to situations that make them understand that the culturally-driven methods of leadership in their countries are not necessarily correct and that other alternatives are available. Methods for achieving what Bentley refers to as “culture shock” include living and working in other countries, working within different companies, foreign travel and participating in designed and directed simulations that highlight other potential leadership techniques.
- Latin American leaders must engage in honest, rigorous and comprehensive appraisals of their organizational culture and evaluate whether that culture will enable their companies to become and remain competitive in the future. It is one thing for leaders to have a sophisticated vision of where they would like their organizations to go; however, structure must be updated to facilitate execution of strategies.
- Leaders must not only establish a strategic vision for their firms they must also become experts in the art and science of understanding and changing the organizational cultures of their firms. Among other things, leaders will need to learn how to overcome the strongly ingrained resistance to change that is found throughout the traditional Latin American culture.
- Potential Latin American leaders must seek training and access to the knowledge required to identify and implement organizational changes and must be dedicated to continuous learning in recognition of the fact that organizational change will be an ongoing process that extends well out into the future.
- Leaders must acknowledge that the traditional “command and control” approach to exercising authority has become ineffective and that it is no longer possible for them to understand everything that is going on within the firm without obtaining information from those lower down in the hierarchy and allowing broader participation in decision making. Bentley acknowledges that this will be tough prescription in Latin America, given the importance and reverence ascribed to hierarchy and reluctance of subordinates to take responsibility; however, he believes that changes are needed to make and implement better decisions and build commitment and motivation throughout the firm.
- Potential Latin American leaders must be able to drive their organizations to accept the faster pace of business required to remain competitive and instill a heightened sense of urgency within the firm regarding the quality of products and services and being responsive to customer needs. Specifically, Bentley advises that “[f]uture leaders in Latin America will no longer have the luxury of ‘easy time,’ defined here as a neglect of the importance of being sensitive to the expectations of others in the delivery of goods and services”.<sup>173</sup>

Several studies have focused on organizational culture and leadership in public and private companies in Brazil. As in other countries, societal culture influences

<sup>171</sup> Id. at 42.

<sup>172</sup> Id. at 42-45.

<sup>173</sup> Id. at 45.

organizational culture among Brazilian enterprises and Ferreira et al. commented that “Brazilian organizational cultures can, in general, be traditionally seen as closed systems in which leaders with strong personalities, rigid values, paternalistic patterns and highly centralized hierarchical structures prevail”.<sup>174</sup> Ferreira et al. suggested that this type of organizational culture explains why one finds an “improvised style of doing things (lack of planning)” among Brazilian firms and that such a cultural predisposition can lead to negative effects on the level of commitment and participation by employees and reliance on bureaucratic structures and regimental rules that stifle initiative.<sup>175</sup> It should be noted that the dramatic changes that have occurred in the Brazilian economy over the last two decades have created tensions between the traditional paternalistic organizational culture and the cultural norms that are typically associated with competing in open markets.<sup>176</sup> Firms in the Southeastern part of Brazil, which is relatively well developed from an economic perspective and heavily populated by industrial enterprises, tend to be more receptive to “modern” notions of organizational culture while private and public cultural organizations cling to long-standing organizational values and practices such as job stability and retirement rights, each of which are accepted element of a more paternalistic organizational culture.<sup>177</sup>

Ferreira et al. examined potential differences between workers in public and private companies in Brazil with regard to various dimensions associated with organizational culture.<sup>178</sup> They found that the respondents from private companies tended to believe that their organizations valued cooperative professionalism<sup>179</sup> and employee satisfaction and well-being at levels that were significantly higher than what was found in the responses from workers at public companies and that private companies were thus more interested than public companies in humanizing the work environment and making it a more pleasant place to work. In turn, respondents from public companies reported much higher levels of rigid hierarchical power structures and competitive professionalism within their organizations than what was found at private companies. Bruno and de Sousa analyzed Brazilian organizational culture found in business management by analyzing a firm in the Manaus Industrial District of Brazil.<sup>180</sup> They measured nine cultural traits that they posited were present in the Brazilian business environment and

<sup>174</sup> M. Ferreira, E. Assmar, K. Estol and M. Helena, “Organizational culture in Brazilian public and private companies” in B. Setiadi, A. Supratiknya, W. Lonner and Y. Poortinga (Eds.), *Ongoing themes in psychology and culture* (Online Ed.) (Melbourne, FL: International Association for Cross-Cultural Psychology, 2004). <http://www.iaccp.org> [Accessed May 16, 2011] Ferreira et al. also includes references to various works focusing specifically on aspects of Brazilian organizational culture.

<sup>175</sup> Id.

<sup>176</sup> B. Etorre, “A business case for today’s Brazil and Argentina”, *Management Review*, 87 (1998), 10-15.

<sup>177</sup> M. Ferreira, E. Assmar, K. Estol and M. Helena, “Organizational culture in Brazilian public and private companies” in B. Setiadi, A. Supratiknya, W. Lonner and Y. Poortinga (Eds.), *Ongoing themes in psychology and culture* (Online Ed.) (Melbourne, FL: International Association for Cross-Cultural Psychology, 2004). <http://www.iaccp.org> [Accessed May 16, 2011]

<sup>178</sup> Id.

<sup>179</sup> The researchers explained that the elements of “cooperative professionalism” included carrying out the assigned job efficiently and competently and demonstrating a team spirit, ability, dedication, professionalism and initiative, so as to reach common organization goals.

<sup>180</sup> L. Bruno and J. de Sousa, *Organizational Culture: How to Measure It – A Case Study*, <http://www.g-casa.com/conferences/tallinn/pdf%20papers/Bruno.pdf> [Access May 16, 2011]

found that the “flexibility”, “power concentration” and “personalism” traits had the highest preponderance while the remaining traits were significantly less evident.<sup>181</sup> Flexibility had by far the high preponderance score, a finding the researchers explained meant that there was “great flexibility within the company” and that “the organization has great capacity to adapt itself to the circumstances of the environment”. The adaptability and creativity within flexible organizations was perceived as a positive characteristic given the turbulent changes occurring in Brazil and around the world that require companies to be extremely agile.

Another group of researchers, seeking to provide guidance to expatriates called upon to take leadership roles in Latin American organizations, identified the following important Latin American leadership themes: (a) “simpatia” (empathy), personal dignity, and classism; (b) personalism; (c) particularism; (d) trust; (e) collectivism and in-group/out-group behavior; (f) paternalism; (g) power; (h) humor and joy; and (i) fatalism.<sup>182</sup> They noted the special warmth of personal relationships in Latin America and the emphasis on respecting human dignity and showing concern for the health and family of others. In particular, the “intrinsic value of human relations” is particularly important. Particularly relevant to leadership is the understanding that one’s agreement to produce work for others, such as the organizational leader, is based on the personal relationship between the leader and the follower. Job descriptions and formal organizational structures are not as important in Latin America as the sense of personal loyalty that followers have for their leaders. Use of rules in Latin America is also undercut by the high levels of particularism which cause and allow leaders to make exceptions based on personal considerations and obligations of friendship. Particularism leaders to uncertainty and places more power in the hands of leaders who are in a position to resolve uncertainties.

### §1:14 Eastern Europe

Gratchev et al. argued that an understanding of leadership in the context of post-Soviet Russian business culture must take into account the fragmentation of managerial corps and cultural clusters following decades of Soviet universalism and what they perceived to be a visible shift in public attention in Russia toward business leadership influenced by media coverage. Using the GLOBE dimensions, Gratchev et al. observed that “the profile of an effective leader in Russia was an “administratively competent manager with abilities to think strategically, capable to make serious decisions and inspire his followers to meet performance targets”.<sup>183</sup> Gratchev et al. went on to explain: “To a certain extent

<sup>181</sup> In addition to the three traits discussed in the text, the researchers measured personal loyalty, impunity, expectant posture, formalism and conflict avoidance, thereby covering the main organizational cultural traits observed in the often-cited earlier work of Barros and Prates which included extensive literature reviews and surveys of thousands of executives and managers from 520 large, mid- and small-sized companies in South and Southeast Brazil. Id.

<sup>182</sup> J. Osland, S. De Franco and A. Osland, “Organizational implications of Latin American culture: Lessons for the expatriate manager”, *Journal of Management Inquiry*, 8(2) (1999), 219-234.

<sup>183</sup> M. Gratchev, N. Rogovsky and B. Rakitski, *Leadership and Culture in Russia: The Case of Transitional Economy*, GLOBE Project Materials, [http://www.fh-fulda.de/fileadmin/Fachbereich\\_SW/Downloads/Profs/Wolf/Studies/russia/russia\\_chapter\\_tc4.pdf](http://www.fh-fulda.de/fileadmin/Fachbereich_SW/Downloads/Profs/Wolf/Studies/russia/russia_chapter_tc4.pdf) (accessed July 6, 2014), 20.

he/she relies on teams and through diplomatic and collaborative moves succeeds in integrating efforts of their members. However, in his/her actions there is not much interest in humane orientation to the others and modesty in personal behavior. He/she may sacrifice a lot and does not take much care of saving face. Status is not important to the modern Russian leader.” Ambrozheichik set out to formulate a composite profile of Russian organizational leadership based on an extensive review and analysis of research conducted since the mid-1990s by both Russian and Western scholars and concluded: “A leadership profile that will be culturally accepted, enacted and effective in Russia will reflect: a moderate focus on term development and collective implementation of a common goal, with emphasis on administrative competence; lack of participative leadership, low involvement of subordinates in decision making, an autocratic orientation; and a preference for charismatic behavior, inspirational and motivational ability, achieving high performance through shared core values.”<sup>184</sup>

Ojala and Isomäki reviewed several academic articles published between 1993 and 2009 that focused on managerial styles and practices of Russian entrepreneurs and found that Russian entrepreneurs were likely to use their peers rather than their subordinates in collective decision making and typically exhibited inspirational and charismatic leadership behavior as opposed to the passive and laissez faire leadership style typically found among managers of larger Russian firms.<sup>185</sup> Russian entrepreneurs were also adept at adapting their management practices to changes in their operating environment, an important skill given the high levels of economic and institutional instability in the Russian entrepreneurial ecosystem.

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<sup>184</sup> G. Ambrozheichik, “Cultural Profile of Russian Leadership”, *International Journal of Leadership Studies*, 6(3) (2011), 310, 323.

<sup>185</sup> A. Ojala and H. Isomäki, “Entrepreneurship and small businesses in Russia: A review of empirical research”, *Journal of Small Business and Enterprise Development*, 18(1) (2011), 97.