

## 2. Effective Leadership and Cross-Cultural Variation

### 2.1. Leadership - a Global Phenomenon

Leadership as a universal human phenomenon has been discussed since ancient times. For instance, the ancient Greeks and Egyptians tried to define the qualities of leaders (Bass, 1981, 1990). The legendary Greek hero Odysseus is exemplified as one of the great leaders in Homer's Iliad on account of his shrewdness (Bass, 1990; Peterson and Hunt, 1997). In the Chinese classics since the sixth century B.C., Four Books<sup>1</sup> and Five Classics<sup>2</sup> from Confucianism (儒家: Rú Jiā) provided the bulk of advisory directions for the emperors on how to lead the country.

In the Western world, the thoughts about leadership have been consistently developed. Peterson and Hunt (1997) summarized this development from ancient times to the early 20th century as shown in Table 2.1.

Due to the societal changes since the turn of the millennium, such as increasing globalization and technological evolution, the Western world is entering into a phase of post-industrialization. Simultaneously, a new leadership concept is emerging in the Western world. Therefore, a decade later, the table of Peterson and Hunt (1997) can be updated by adding the following row as shown in Table 2.2.

The systematic study of leadership started approximately one hundred years ago (Kühlmann, 2008). In the Anglo-American world, **The Handbook of Leadership** from the first edition published by Bass (1974) to its fourth edition by Bass and Bass (2008) provided an extensive overview on how leadership research started and evolved in the past. In the handbooks, a considerable amount of material about leadership has appeared. Although they did not report on the state of research from non-English language authors, the handbooks indicate that leadership has been continuously studied across nations. One instance of this is the Japanese

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<sup>1</sup>Four Books (四书: Sì Shū) are: The Great Learning; The Doctrine of the Mean; The Analects of Confucius; and The Mencius.

<sup>2</sup>Five Classics (五经: Wǔ Jīng) are: The Book of Songs; The Book of History; The Book of Changes/zhōu-yì; The Book of Rites; and the Spring and Autumn Annals.

**Table 2.1.:** Concurrent evolution in Western leadership thought (Peterson and Hunt, 1997: 22)

| Periods                                                                                                                             | Leadership Thought                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ancient agriculture and trade, early empires and trade routes.                                                                      | Oral traditions and written accounts idealize heroes, kings, philosophers and military leaders.                                                                  |
| Middle Ages feudal agriculture, church, and military.                                                                               | Problems of jointly managing politics, military and agriculture under church influence.                                                                          |
| Renaissance and Reformation, emergence of independent city states, revival of major trade routes.                                   | Combined empirical and normative leader analyses by Machiavelli. Leader/patron portrayals by Cellini. Broadened re-reading about ancient leaders and innovators. |
| Mercantile period, nation states emerge, church governance dissipates, colonialism expands.                                         | Monarchies engage problems of increasingly complex societies. Issues of managing colonial empires and of colonial leadership arise.                              |
| Industrialization unleashed: late 18th and 19th century. American frontier development, colonialism, slavery, opium trade continue. |                                                                                                                                                                  |
| Industrialization tamed: Early 20th century through WW II. Political/economic/military struggles among major nation states.         | Traits: Stogdill’s 1948 review. Autocratic, democratic, laissez-faire leadership, and Lewin’s critique of Hitler’s Germany.                                      |

**Table 2.2.:** Supplementation to the concurrent evolution in Western leadership thought

| Periods                                                                                                                                                                                                                                        | Leadership Thought                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Post-industrialization: since the 21st century, information technology has begun to challenge the classical organizational structure. Autocratic leadership is failing. Demographic changes and globalization have an indispensable influence. | Leadership is characterized by: holistic leadership, systemic leadership, leader facilitates participation, leader as coach (Senge, 1990; Yukl, 2010; Drucker, 2001). |

Performance (P) and Maintenance (M) leadership theory developed by the Japanese leadership scholar Jyuji Misumi (Bass and Bass, 2008; Misumi and Peterson, 1985).

Leadership is a global phenomenon. However, this global phenomenon is defined differently by different theorists and at different time periods. House, Wright & Aditya (1997) summarized this by claiming that in the literature there is no consensually agreed upon definition of leadership among scholars. The definitions that have emerged vary depending on emphasis placed on leader abilities, personality traits, influence relationships, cognitive versus emotional orientation, individual versus group orientation and appeal to self-interest versus collective interest. Here are some examples of definitions:

- “Leadership is an interaction between two or more members of a group that often involves a structuring or restructuring of the situation and the perceptions and expectations of the members” (Bass, 1990: 19).
- “Leadership is the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organizations of which they are members” (House and Javidan, 2004: 15).
- “Leadership is every intended effort of an individual to influence other organizational members’ acts to such an extent that the scheduled organizational goals are reached”<sup>3</sup> (author’s own translation, Kühlmann, 2008: 22).

The famous German leadership theorist Oswald Neuberger (2002) analyzed 38 leadership definitions across nations. Most of the authors of the definitions were European or US American. After the analysis he summarized his own definition as follows:

- “Leadership by persons is the legitimate conditioning of a certain behavior of followers during poorly structured situations by using and in contrast to other influencing factors”<sup>4</sup> (author’s own translation, Neuberger, 2002: 47).

Similar to in the Western world, leadership theorists in modern Chinese society are also searching for the essence of leadership and formulating definitions. One Chinese leadership author defined leaders as follows:

- “Leaders not only balance the relations, meanings and rules, but also balance the responsibility, right and benefit”<sup>5</sup> (author’s own translation, He, 2007: I).

As summarized by House et al. (1997), leadership can be identified as a global phenomenon. However, the focus placed on this multifaceted phenomenon differs.

<sup>3</sup>The original definition was in German language: Führung ist jeder beabsichtigte Versuch einer Person, durch ihr Handeln das Handeln anderer Mitglieder eines Unternehmens derart zu beeinflussen, dass die gesetzten Unternehmensziele erreicht werden.

<sup>4</sup>The original definition was in German language: Personelle Führung ist legitimes Konditionieren bestimmten Handelns von Geführten in schlecht strukturierten Situationen mit Hilfe von und in Differenz zu anderen Einflüssen.

<sup>5</sup>The original definition was in Chinese language: 作为领导，除了要处理“情、理、法”的关系，还要处理“责、权、利”的关系。

The differences will be enlightened upon in the upcoming sections as follows: First, the research state of leadership theories, especially according to English-speaking scholars, will be briefly reviewed. Consequently, the differentiation across nations in cross-cultural leadership research will be emphasized. Finally, the culture and leadership of Germany and China will be compared.

## 2.2. The State of Leadership Theories

To shed light on this global phenomenon, countless scholars and practitioners have devoted themselves to describing, operationalizing, analyzing and comparing this multifaceted topic - Leadership. As a consequence, not only have numerous definitions emerged, but various focal points have also been outlined in the form of models or concepts since the beginning of the 20th century. Meanwhile, various scholars have used different ways to categorize them and try to gain an holistic picture of these leadership theories. For instance, the trait theories, behavioral theories, contingent/situational theory and the new leadership theory: transactional/transformational leadership (Westwood and Chan, 1995; Bass and Bass, 2008).

Kühlmann (2008) summarized the leadership research in four approaches and provided another perspective for understanding these theories of leading people. Table 2.3 provides an illustration for conceptualizing these four approaches.

Because of the specific focus and the limited space of this study, the contents of these theories will not be described. However, they can be found in various leadership literature (Kühlmann, 2008; Neuberger, 2002; Weibler, 2001; Bass and Bass, 2008; Yukl, 2010; Wunderer, 2007; von Rosenstiel, 2006).

## 2.3. Leader Versus Manager

Along with the further development of leadership theory, many scholars have differentiated role understandings during the leading process (Bennis and Nanus, 1985; Gardner, 1993; Zaleznik, 1977; Kotter, 1990). One is the role as a **leader**. The other is the role as a **manager**. The Latin word for leader is *dux* (from the verb *ducere*, meaning ‘to lead’). It has been used to refer to “commander-in-chief” during ancient times. The word “manager” originally derived from the Latin *manus* and means “hand”. The verb “to manage” came from the Italian *maneggiare*, which means “to handle” or “to control horses” (The Oxford Dictionary, 1989).

**Table 2.3.:** Categorical overview of leadership theories based on Kühlmann (2008)

| <b>Leader- oriented Approach</b>                                                | <b>Behavior-oriented Approach</b>                                       | <b>Follower-oriented Approach</b>                           | <b>Situation and Contingency Approach</b>              |
|---------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------|
| Trait Theory<br>(e.g.: Judge, Bono, Ilies & Gerhardt, 2002)                     | One-dimensional Leadership<br>(Lewin, Lippitt & White, 1939)            | Situational Leadership Theory (Hersey and Blanchard, 1997)  | Contingency Model of Leadership<br>(Fiedler, 1967)     |
| Implicit Theory/ Leadership Categorization<br>(Lord, Foti & Phillips, 1982)     | Two-dimensional Leadership<br>(Fleishman, 1973; Blake and Mouton, 1964) | Leader-member-exchange Theory<br>(Graen and Uhl-Bien, 1995) | Decision-making Model (Vroom and Yetton, 1973)         |
| Charismatic<br>(House, 1977)<br>and<br>Transformational Leadership (Bass, 1985) |                                                                         |                                                             | Path-goal Theory<br>(House, 1971 and 1996)             |
|                                                                                 |                                                                         |                                                             | Leadership Substitutes Theory (Kerr and Jermier, 1978) |

In the leadership research, scholars argue that **leaders** focus more on vision, take emotional resources into account and take care of values, and **managers** focus more on functionality, managerial goals and take care of the performance and rewards, monetary rewards in particular.

According to Kotter (1990), “leadership” is about motivating and inspiring employees, strategizing, incorporating and communicating visions, changing and moving forward. Leaders do the right thing. “Management” is about achieving order, planning, organizing, budgeting, staffing and controlling. Managers do the thing right. Neuberger (2002) compared the different roles of leaders and managers and his comparison is presented in Table 2.4.

**Table 2.4.:** Comparison of leaders and managers (Neuberger, 2002: 49)

| Leaders                       | Managers                       |
|-------------------------------|--------------------------------|
| ...innovate                   | ...administrate                |
| ...develop                    | ...keep                        |
| ...create                     | ...imitate                     |
| ...are originals              | ...are copies                  |
| ...challenge the status quo   | ...accept the status quo       |
| ...focus on people            | ...focus on the system         |
| ...place emphasis on trust    | ...count on control            |
| ...think in the long-term     | ...act with short-term success |
| ...ask what and why           | ...ask how and when            |
| ...are inspired and inspiring | ...are rational and controlled |
| ...have vision and heart      | ...have a balance sheet        |
| ...do the right thing         | ...do the thing right          |

Zaleznik (1977) described different relationships with subordinates based on the two different roles. Leaders tend to have interpersonal relationships while the managers tend to behave independently without identification with the feelings of subordinates.

Conversely, Yukl (1989) argued that “nobody has proposed that managing and leading are equivalent, but the degree of overlap is a point of sharp disagreement” (ibid: 253). These two kinds of behaviors are different but also complementary. It is unrealistic to put the two words at opposite ends and to believe that they exclude each other. Evidence has shown that people who combined both have also become the most successful (Kotter, 1985, 1988). Therefore, this study uses the term “managerial leader” to integrate both functions. This term represents both the managerial behaviors and the leadership behaviors.

In section 2.7, the Full Range Leadership Model developed by Bass and Avolio will be introduced. This leadership theory provides support for the use of the term “managerial leader” again. In the next section, this integrated view will be first applied to the leadership research in the cross-cultural context.

## 2.4. Cross-Cultural Leadership Research

### 2.4.1. Generalizability of the Western Leadership Theories

As mentioned in section 2.2, over the past 100 years, many leadership theories have been developed in North America and Western Europe. Scholars have celebrated these results and practitioners worldwide are learning from and applying them. However, these theories may embody only the Western point of view (Ayman and Korabik, 2010; Adler, 2002; Yukl, 1998; House, 1995). An increasing number of pioneering scholars have become aware of this situation and have begun to reflect on the generalizability of the Western leadership theories.

Hofstede (1993) highlighted three idiosyncrasies of American management theories which are not necessarily shared by other cultures: an emphasis on market processes, an emphasis on the individual, and an emphasis on managers rather than workers. Den Hartog, House, Hanges, Ruiz & Dorfman (1999) referred back to the characteristics of North American leadership theories mentioned by House (1995): “focusing on individualistic rather than collectivistic values; emphasizing assumptions of group incentives; stressing follower responsibilities rather than rights; assuming hedonistic rather than altruistic motivation; and assuming the centrality of work and democratic value orientation” (ibid: 227).

Similarly, Westwood and Chan (1995) argued that the leadership concepts stemming from North America represent individualism, assertiveness and independence. They “reflect a particular ideology in which a tension between espoused democratic and participative principles, and inherent power inequalities is managed” (ibid: 70). Westwood and Chan (1995) addressed that leadership varies in different contexts and suggested that “headship” is “a more encompassing and contextually meaningful term in East Asia” (ibid: 70). On the one hand, “headship” reflects the family-based tradition of East Asia; on the other hand, it symbolizes legitimized power.

Kühlmann (2008) examined the applicability of various leadership theories in an international context and compared these with empirical findings. The conclusion can be drawn that most leadership theories could be used in different cultures, however, desired leadership behaviors differ from culture to culture.

All in all, an indiscriminate use of the Western leadership theories will miss the uniqueness of the non-Western countries (Farh and Cheng, 2000; Westwood and Chan, 1995).

#### 2.4.2. Development of Cross-Cultural Leadership Research

In the year 1959, Frederick H. Harbison, a professor of economics, and Charles A. Myers, a professor of industrial relations, published their field studies dealing with comparative management and leadership in eleven countries<sup>6</sup> (Harbison and Myers, 1959). Subsequently, Haire, Ghiselli & Porter (1966) compared managers across fourteen countries. These comparative studies inspired a lot of new scholars and stimulated discriminative perspectives. As a result, an infant awareness for cross-cultural leadership began to emerge.

Since the 1960s, many new thoughts and discussions on cross-cultural leadership research have emerged. Until the end of the 1990s, two trends in the cross-cultural leadership literature can be clearly outlined: one is testing the applicability of Western leadership theory in different nations. One example of this is whether the Leader-member-exchange (LMX) Theory is applicable in other nations. The other trend is the comparison of leadership styles in different countries from a Western point of view (House et al., 1997). However, at that time, most of the comparisons were made between the economically strong and interdependent countries or regions, such as North America, Western Europe and Asia (Japan, Singapore, Hong Kong etc.) (House et al., 1997).

From the end of the 1990s, an increasing number of researchers have postulated developing more inclusive leadership theories by using both *emic* and *etic* perspectives (Den Hartog et al., 1999; Ayman and Korabik, 2010; Peterson and Hunt, 1997; House et al., 1997; Dorfman, Howell, Hibino, Lee, Tate & Bautista, 1997). The *emic* perspective is the perspective of persons within one culture. *Emic* is an analogy borrowed from phonemics, which means sounds exist exclusively in a particular language. The *etic* perspective is the perspective of observers across cultures. *Etic* is also an analogy taken from phonetics, which means general vocal sounds and sound production of languages in general.

One famous study using both the *emic* and the *etic* perspective is the Performance (P) and Maintenance (M) leadership theory conducted by Misumi and Peterson (1985). After reading the Western thoughts on leadership such as the one-dimensional leadership of Lewin et al. (1939), Misumi developed a questionnaire with 24 items and analyzed the data of 5000 Japanese subjects. Finally, two factors

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<sup>6</sup>The eleven countries were India, Egypt, Chile, Israel, France, Italy, Japan, Germany, Sweden, Great Britain, Soviet Union.

appeared, one is the Performance factor emphasizing planning, pressure of production and guidance, the other is the Maintenance factor addressing consideration, friendship and caring (Smith, Peterson, Misumi & Bond, 1992). These two factors are very similar to the two-dimensional (Initiating Structure and Consideration) leadership concept developed by Edwin A. Fleishman (1973), a researcher at Ohio State University. Regardless of the results, the method used by this study can be considered to stem both from an etic and emic perspective. The etic perspective helped to set up the direction while the emic perspective provided the understanding of leadership in Japan.

Den Hartog et al. (1999) adapted these two perspectives to leadership behaviors. They argued that *etic* behaviors are the “cross-culturally generalizable” or “universal” (ibid: 230) behaviors and can be compared across cultures using common definitions and metrics. By contrast, *emic* behaviors are the “culture-specific behaviors” (ibid: 230) and are carried out uniquely within this culture. Usually, such culturally endorsed unique behavior can be identified and understood by using qualitative research of one single culture. The description of the system and the embedded behavior can only be introduced by the native researchers of this particular culture. However, because of the uniqueness of the behavior, there is no possibility for an international comparison. In contrast, the cross-culturally generalized universal behaviors provide comparable information about different cultures. Therefore, while the culture-specific approach is labeled “a descriptive idiographic orientation” (ibid: 230), the cross-culturally generalizable approach is labeled a “nomothetic” concept (ibid: 230), which provides a comparative overview.

Nevertheless, the cross-culturally generalizable approach is not unproblematic. The generalized behavior is usually phrased in an abstract way. If the behavior is discussed “in a great degree of detail”, a “unique meaning and/or enactment” of this generalized behavior will be identified across the various cultures (Den Hartog et al., 1999: 231). To solve this problem, Den Hartog et al. (1999) introduced three types of “universals” to differentiate the cross-culturally generalized behavior and accordingly the universality. The three types are *simple universal*, *variform universal* and *functional universal*.

“*Simple universal*, referring to a phenomenon that is constant throughout the world. [...] A *variform universal* is one in which subtle modifications of a simple universal can be seen when one studies that principle over cultures. [...] *Functional universal* [...] concerns the stability of relationship between different variables. Functional universals are evidenced in patterns and relationships that are stable across culture.” (Den Hartog et al., 1999: 231-232)

To sum up, both emic and etic perspectives are meaningful and they demonstrate an interactive relationship. Discovering the cultural distinctiveness can not only enlarge the cross-cultural leadership findings, but can also help researchers to find

noncultural factors, such as situations of labor markets (Dorfman, 2004; Triandis, 1993). Taking universal aspects into consideration can strengthen the efficiency of cross-cultural leadership research. Therefore, leadership researchers should be encouraged to consider the two perspectives simultaneously.

## 2.5. Values as an Indicator of Societal Culture and Two Examples of Values

As described previously, many scholars have suggested that societal culture has an impact on the desired effective leadership. Research on culture spans many disciplines such as anthropology, psychology and business. In the 1950s and 1960s cross-cultural aspects emerged in these disciplines. The anthropologist Edward T. Hall (1959), the founder of intercultural communication published the book *The Silent Language*, which introduced one of the original paradigms for intercultural communication, with an emphasis on non-verbal communication: *polychronic* and *monochronic* individuals. Subsequently, further cultural dimensions - High Context (HC) Culture and Low Context (LC) Culture - were discovered in the book *Beyond Culture* by Hall (1976). Communication in HC Culture<sup>7</sup> is “internalized in person” or embedded “in physical context”, while communication in LC Culture<sup>8</sup> is “vested in explicit code” (Hall, 1976: 70). In addition, he also alluded to the needs of the two contradictory poles: for LC there is a need to “adapt and change”; for HC there is a need for “stability and tradition” (Hall, 1976: 101).

Kluckhohn and Strodtbeck (1961) studied variations of value orientations in five different cultural communities of the American Southwest: Spanish-American, Mormon, Texan, Zuni and Navaho and suggested five questions: “the nature of human nature”, “humans’ relations with nature”, “humans’ orientation towards time”, “human motives” and “humans’ relations with each other”. For them different cultures have different preferences (Zavalloni, 1980). Some years later, Harry Triandis led an in-depth discussion about individualism and collectivism across different countries (Hui and Triandis, 1986; Earley, 2010).

Similarly, Hofstede (1980) researched on work values in the cultures of around 50 countries within the international enterprise IBM and summarized four intercultural dimensions: Power Distance, Individualism/Collectivism, Uncertainty Avoidance and Masculinity/Femininity.

<sup>7</sup>HC Culture can be found in countries such as China, Japan etc.

<sup>8</sup>LC Culture can be found in Germany, German-speaking Switzerland and the United States.

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