CROSS-CULTURE DIFFRENCES IN LEADERSHIP

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Abstract

The paper deals with differences in leadership in regard to culture. The aim of this paper is to find out if there are differences in transformational and transactional leadership in collectivist cultures and individualistic culture. Paper is also concerned with another issue – which type of these leadership managers use more often in collectivist and individualistic culture. This paper also considers how much the leadership depends on individual differences of managers. It was found out that the culture from which the leader comes has impact on their style of leadership. Nowadays, the international and global companies have to create different kind of tactics. These tactics depend on the culture of the country where the company is placed. Many managers had not realised that when they moved to another country they should have changed their tactics in leadership. They thought that they could use the same tactic of leadership in different countries. But it was found out that the culture level values has the biggest effect on optimal leadership. Managers from international companies have to change their tactics according to the culture where they work, so they can become an effective leader.

Key words: Cross-culture, managers, transformational, transactional leadership, effective leader

JEL Code: M12, I20,

Introduction

Recently, authors realised that culture has a huge impact on leadership. The leaders come from different cultures where are different types of motives and incentives, which they apply in leadership. The leadership is different in each culture.

Nowadays many authors deal with the issue of leadership and the factors, which have impact on leadership. The increasing interest in efficient leadership has started by the globalisation. Managers realised one important thing if they want to be successful in the international and global business, they have to become a good leader. Because leadership style is important for success in business.

1   Literature review

There are some authors who started to deal with problematic of the leadership and relationship between the leadership and the culture.

Authors deal with the leadership and the factors, which have influence on it. One of these authors is Dorfman. He said that practices and cultural values belong to the most important factors, which have influence on leadership ideals and expectations (Dorfman et al., 2012).

Another authors who deal with the leadership are Casimir and Waldman (2007). They found out what does have an effect on effective leadership. They made study in which they compared perceived importance of 18 traits for effective high – level and low – lever leaders. They found out that for Australian leaders is more important the communication, regardless of the leader´s hierarchical level. They found out that for the low – lever leaders, were friendliness and sense of humour more important.

Javidan and House (2001) present arguments for the necessity of global managers to have cultural acumen or to be sensitive to cultural differences. Also using data from GLOBE, they present findings relevant to global managers regarding how to interact with members of various cultures. In short, they provide advice for creating effective cross-cultural communications. These lessons give examples of how specific societies may respond to communication styles. For example, in Russia and Thailand where hierarchical and status differentials (i.e., "power distance") are high, communication is mostly one-way, from the top down. Further, managers are expected to know more than subordinates do, and input from subordinates are neither solicited nor appreciated (Javidan, House, 2001). The lessons presented may serve as a starting point for bolstering interpersonal and cultural acumen in global managers.

2   Main problems between theory and research concerning leadership

Between the main researchers in the past, who were engaged with the interpersonal aspects of leadership were Blair and Hunt (1985). They were aware that in the previous researchers focused just on 4 aspects in this field of research. They focused in leadership on interpersonal level, just some limited of explained variables; these researchers did not consider with the question of the politic relevance and they did not deal with programmatic past research.

2.1   Interpersonal level

Many of the researches focused just on the linear supervision. They concerned just about the relationship between the leader and an adherents (Zaccaro, Klimoski, 2001).

These authors described, that researches focused just on attributes of leadership, adherents and relationship between them.

Some of the theories focused on leaders and behaviour according to situation. Between the main authors in the past belongs Fiedler (1964). His theory concerns with the contingency of leadership. The other authors has examined the relationship between the behaviour of leader and theirs adherents in different situation. Lord and Maher (1991) considered the perceptions kept by subordinates of the leader and they were also concerned about the social influence of the role of these perceptions and cognitions.

Many of theories and models, which were concerned with the leadership, are about the interpersonal relationship between the leader and his adherents and social exchange.

Fiedler (1964) says that the most important for the quality of this relationship is to create situational moderator.

Some of the authors concerned with the transformational and transactional leadership models. Bass (1997) described transformational leadership models. He said that leader motivates his subordinates to work on higher goals rather through self-actualization than through immediate rewards. Graen and Hui (1999) concerned about dynamics of relationship between leader and subordinate over subgroups of subordinates.

Valumbwa, Lawler and Avolio (2007) wrote that "*…relationship between transformational leadership and work attitudes was more positive as the level of allocentrism increased. Similarly. Showed that the relationship between contingent reward leadership and work attitudes was more positive as the level of idiocentrism increased, providing support for predictions concerning the two-way interactions.*"
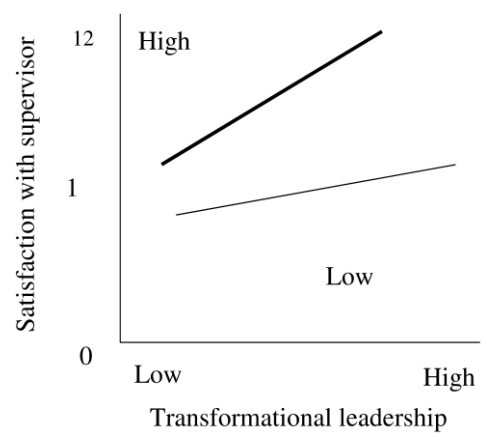
This is shown in figure 1.

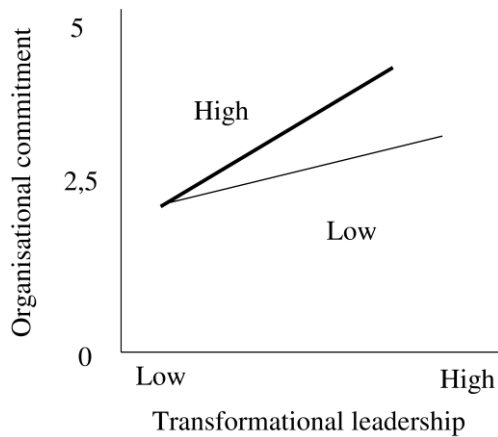**Fig. 1: Effects of the interaction between leadership and individual differences**
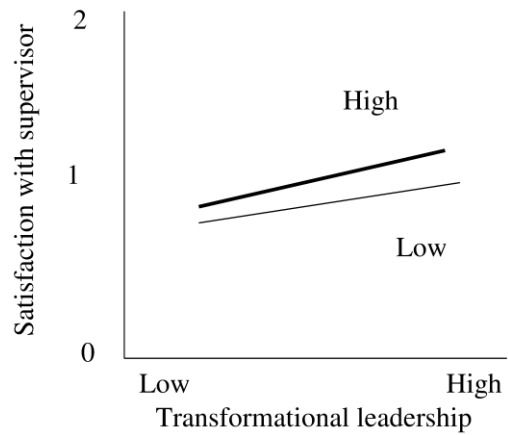
a) Transformational and Allocentrism (H1a)
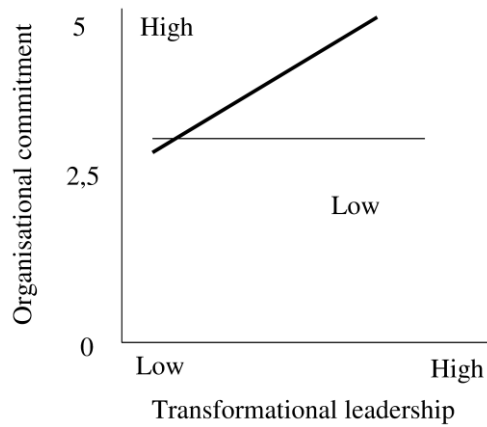
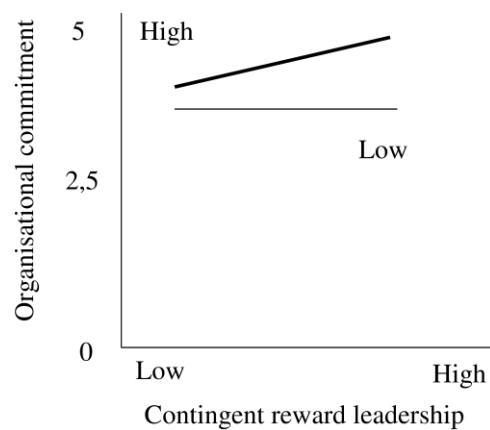b) Transformational and Allocentrism (H1b)

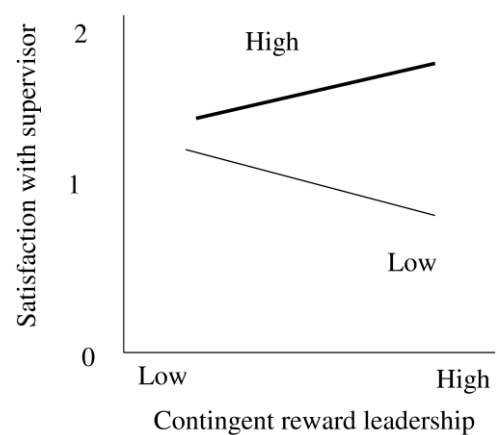c) Transformational and Idiocentrism (H3a)

d) Transformational and Idiocentrism (H3b)

e) Contingent reward and Idiocentrism (H4a)

f) Contingent reward and Idiocentrism (H4b)

Source: Walumbwa, Lawler, Avolio, 224, (2007)

Transactional leadership theory is based on the assumption that employees are motivated by reward and punishment – the subordinates have to obey the orders of the superior and the subordinates are not self-motivated, for the reasons they have to be closely watched and controlled so they fulfil the work.

All of these mentioned theories focused on direct leadership. However, many of the leaders do not deal just with direct leadership. They have important role in indirect and influence across many unites in the organizations. In the top level, leaders have wide influence on the organization and in many cases; they never met all of the adherents (Zaccaro, 2001).

Zaccaro (2001), Zaccaro and Klimoski (2001) focused theirs studies on the executive leadership. Authors who concerned with a leadership have not written systematic and complex models for the middle level of leadership – which is managing small groups in accordance to two levels.

2.2   Limited collection of explained variables

Some of authors (e.g. Zaccaro 2001) described the leaders and subordinates like a group of variables, and others authors concern just with how to achieve effective leadership by practice. These authors concern with the idea that for the explanatory variables is important account macro and micro processes. These authors concerned with organizational life cycles, organizational hierarchy, and organizational culture and the influence personality of leader and how he/she is able to practice his/her skills.

Others author, for example Osborn, Hunt and Jauch (2002) described a contextual theory of leadership like the practising of leadership. The most important is stability, dynamic equilibrium, crisis, rim of chaos.

Zaccaro and Klimoski (2001) defend an opinion that there should be formed some conditions for creating of leadership theory and some specific model.

2.3   Cross-cultural leadership theory

There are many different views on ideal leadership. The view on ideal leadership depends on the culture. It vary in opinions of ideal leadership, i.e. in the attributes, intentions and behaviours that they consider depict outstanding leadership. These cultural leadership ideals are also denoted to as culturally endorse implicit leadership theories or CLTs hereafter

(Dorfman et. al, 2004). Persons in a culture, mostly subconsciously, imagine their leaders to behave according these leadership ideals, and value their leaders in view of that.

Cultural leadership ideals are very important for the entrepreneurship. This fact has passed over in the literature.

3 Results

It was founded out that the cultural leadership ideals are an important part of culture, which are influencing entrepreneurship. A multi-level design identifies that while entrepreneurship is an individual behaviour, it is rooted in a cultural, country background. Therefore, it is defined by both country-level factors and individual factors (Welter 2011, Zahra, Wright 2011).

From the literature was found out that those cultures' ideas of ideal leadership, or culturally accepted leadership theories are important for entrepreneurship. There exist entrepreneurship in cultures that sight self-protective and charismatic leadership as mainly more wanted. It was shown from the overview of literature that entrepreneurship depends on general cultural values, which effect entrepreneurship more than authors thought do. Some of the cultures are more self-protective and charismatic and this makes effect on the cultural values of uncertainty avoidance and collectivism in leadership.

Conclusion

Individual and cultural level values, among other situational variables play a significant role in the management leadership style. The wads of individual and cultural level values that relate to international scenario are different. The cultural level values have greater effect in the in leadership style, telling a tactic for management in international and global companies in various world cultures.

There should be a composed view and theorize about both the desirable charismatic leadership that is often associated with entrepreneurship and the less desirable self-protective leadership that occurs in the views of eastern countries and Asian countries. This view considers the possibly conflicting request that entrepreneurs look, how to stimulate change by activating the collaboration of others while also being competitive in convincing their aims and protection their risky entrepreneurship. Leaders succeed in those cultures that support the other-directed charismatic traits of entrepreneurship while also being able to put up with some of its more self-protective sides.

Leadership performs varied across countries. In every country, leaders often use the leadership practices, so they become leaders that are more effective and theirs workers followed them.

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