

LEADERS AND THEIR IMPORTANCE IN GLOBAL ASSIGNMENTS

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ABSTRACT

The key to successfully competing in the global marketplace might be staffing key expatriate positions with accomplished and skilled leaders. Previous research has focused on preparing managers to expatriate successfully to foreign assignments and to repatriate back to the United States. The high failure rate and general lack of effectiveness of many expatriate managers might be attributed to a cultural mismatch between the assignment and the leadership style of the expatriate. This paper explains the complex issues associated with multicultural leadership and proposes a diagnostic leadership matrix using internal and external cultural constraints.

INTRODUCTION

If management today wants a winning organization, the leadership must set a standard of excellence, and be more knowledgeable and competent in directing a diverse group of people throughout the world (Rapaport, 1993). Leadership should provide the energy or “spark” to excel beyond the mere accomplishment of tasks. Corporate management faces a current environment that often appears to be unpredictable, uncertain, and largely uncontrollable. Nowhere is this more the case than in international markets. Therefore, the issue of managerial leadership becomes of paramount importance when addressing the ambiguity present in these complex international markets.

Global business leaders must rise above their local and national origins and adapt to the environments where they are to provide their employees with energy and motivation to meet the goals of the organization (Barnum & Carter, 1991). Because leaders in a global context are significant, how can organizations involved in the global marketplace develop leaders? Although some research has been conducted on leadership during international assignments, the topic has not received adequate attention, given its strategic importance to the growing field of global business. Very little research has explored the leader–subordinate relationship in which leaders

are from one culture and subordinates from another (Haire, Ghiselli & Porter, 1966). The role that culture plays in the leadership process might provide critical insight into how to develop leaders for multinational corporations (MNCs) that compete in a multitude of different cultural settings.

The purpose of this paper is to identify key issues associated with leadership and the adaptation of these concepts into an international context. The development of a model of leadership using the multicultural dimensions of global business is presented. In addition, the researchers developed a managerial plan for a different international environment that demonstrates leadership patterns that would be most appropriate for various foreign environments and organizational structures.

CRITICAL DIMENSIONS OF INTERNATIONAL LEADERSHIP

Leadership has been defined as individual traits, leader behavior, leader–subordinate interaction patterns, role relationships, follower perceptions, influence over followers, influence on tasks and goals, and influence on organizational culture (Yukl, 1989b). Some researchers have concluded after decades of research in leadership, that what had been produced was a bewildering mass of findings. The endless accumulation of empirical data had not produced an integrated understanding of leadership (Stogdill, 1974). Therefore, rather than adding to the confusion surrounding leadership, this study identifies critical dimensions of leadership that are of particular significance to developing international leaders. These central issues are (a) the leader versus the manager, (b) leadership perspectives, (c) values, needs, and the well-being of leaders, (d) leader power versus influence, and (e) the impact of leadership on individual and organizational performance.

THE LEADER VERSUS THE MANAGER

We tend to believe that training managers for international assignments is dissimilar from developing leaders for international positions. Traditionally, the primary focus of international human resource departments has been the effective managerial training of expatriates prior to and after relocation to foreign assignments (Tung, 1981). Significantly, less attention has been paid to developing leadership qualities in managers who were relocated overseas.

One line of reasoning draws a sharp distinction between leadership and management. It considers leadership to be the discretionary activities and processes that are beyond the manager's role requirements as mandated by rules, regulations, and procedures (Bass, 1990). Leader–managers when contrasted to the routine managers think long-term, consider organizational issues beyond their immediate supervision, can reach and influence others, make people feel significant, support learning and individual competence, and provide a stimulating work environment (Bennis & Nanus, 1985). These researchers also hypothesize that leaders and managers differ in personality, attitude toward goals, conception of work, relations with others and sense of self. If training for leadership is different from training for routine management, international resource management professionals must select individuals with innate leadership qualities and train them in the leadership characteristics of the international culture to which they are being

internationally transferred.

LEADERSHIP PERSPECTIVES

When analyzing leadership, it is important to determine the frame-of-reference of the analysis. According to Fujii (1977), leaders can be evaluated from five viewpoints when assessing their performance (see also Figure 1):

1. Their superior's perspective – the home supervisor or the domestic hierarchy's expectations in executing the organization's strategies in the foreign market.
2. Their peer's perspectives – their cultural heritage and expectations.
3. Their subordinate's perspective – the composition of the supervised employees influences performance and expectations of the leader might vary due to cultural diversity.
4. Their organization's perspective – the composite expectations of peers, subordinates, and superiors comprise the organizational climate and culture, which might differ from the individual perspectives of the members of the group.
5. Their leader's perspective – leader expectations and performance is important because international assignments constrain the leadership environment.

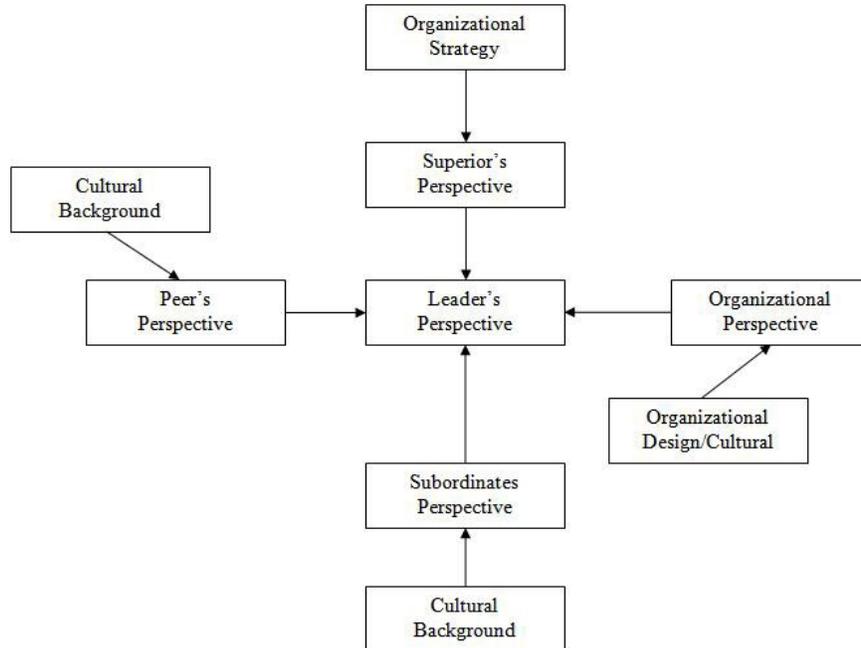


FIGURE 1. LEADERSHIP PERSPECTIVES

International leadership must be considered from many viewpoints and performance assessment must incorporate the expectations of multiple groups. The difference in international settings is

the cultural variety found among the groups. Each of these groups might be composed of expatriates, host country members, and third country nationals, all with differing expectations of leaders (Hofstede, 1980). Key elements of leaders' personal values are

1. Their cognitive and learning style – how leaders think and learn is influenced by their cultural heritage.
2. Their personal considerations – how leaders assess their own backgrounds and how culture influences their values.
3. Their societal expectations – what individuals and organizations expect of leaders, and the societal perspectives that directly affect their personal values.
4. Their societal perceptions – what leaders believe about the value of others and how their own performance influences their personal values.
5. How they value risk taking – the motivation to assume risk and the commensurate level of rewards for the risk highlights the willingness to lead.

The personal values (i.e., what leaders believe is right, wrong, important, and valued), the need for achievement, affiliation, cooperativeness versus competitiveness, and a sense of accomplishment are critical ingredients of leadership. The issue of leadership in an international context becomes extremely important when the leaders' "values" are consistent or inconsistent with those of their subordinates, peers, and superiors. When the international work force is culturally heterogeneous, a higher probability of differences in perspective can be expected toward the leader's personal values, which can decrease the leader's effectiveness.

DEVELOPMENT OF A MODEL OF INTERNATIONAL LEADERSHIP

If the leader is the one who stimulates subordinates to perform and to reach organizational goals in the international marketplace, how can multinationals develop leaders for their global operations? Figure 2 depicts a process for analyzing key issues in international leadership. To understand how to train leaders, individual characteristics, organizational issues, environmental constraints, and behavioral outcomes must be examined. To identify issues that affect leaders in foreign assignments, each of the four fields will be discussed.

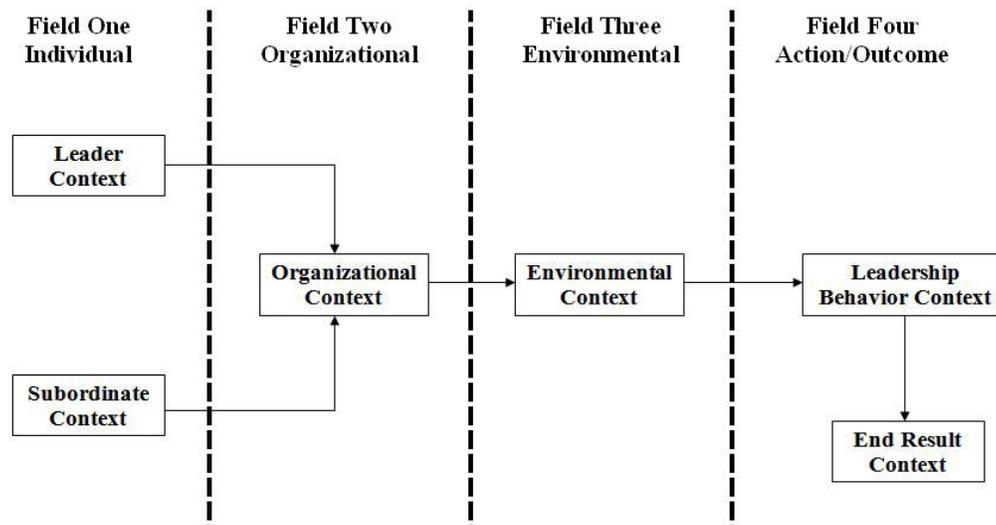


FIGURE 2. THE INTERNATIONAL LEADERSHIP PROCESS

FIELD 1: THE LEADER CONTEXT

The leaders' personal characteristics, cultural heritage, and experience directly affect their ability to lead others. Early researchers identified a myriad of personal characteristics and traits that were thought to be important to becoming a leader. A partial listing of these traits includes (a) task motivation; (b) supportive of group task; (c) social nearness and friendliness; (d) social and interpersonal skills; (e) high energy level; (f) desire and motivation to lead; (g) reputation and track record; (h) position, industrial, and organizational knowledge; (i) inner motivation; (j) intelligence; and (k) emotional balance and control (Kotter, 1988).

The issues of personal characteristics and traits become critical when examining leadership in various cultures. What traits are valued and how does a leader influence others in different cultural settings? The composition of personal characteristics necessary to lead should be carefully designed before sending a successfully proven leader from one culture to another (Hofstede, 1980). In addition, leadership training should be aligned with the host country's culture to help insure effective leadership.

Intercultural communication capability becomes a prominent personal skill that leaders need in international assignments. According to Hall (1991), an effective cross-cultural communicator should have the following skills:

1. Sets communication objectives – realistic objectives timed relative to the culture.
2. Selects a communication style – telling, selling, consulting, and participate or interactive styles to varying degrees in difficult cultures depending on cultural attitudes toward authority and the level of collectiveness in the culture.
3. Assesses and enhances credibility – rank in the organization, personal goodwill, expertise,

image and attractiveness, and values and standards should all influence cross-cultural communications.

4. Selects and motivates audiences – assesses the composition of the group to whom he or she speaks and adjusts cultural integrity and size.
5. Selects a message strategy – decides on the appropriate communication structure (i.e., informal, formal) and on the appropriate management channel (i.e., face-to-face, written, electronic mail).
6. Overcomes language difficulties – decides on language, use of second language, rate of speech, and attention to local language customs.
7. Uses effective nonverbal communication behaviors – body language, degree of personal space, greeting behaviors, and general demeanor communicate a message to the audience.

International leaders also must have the ability to adapt to cultural settings effectively and to adjust to their host country. The ability to adjust to the cultural setting of the host country might be a function of the managers' willingness to relocate and their training in cultural flexibility (Ondmack, 1985). If expatriates lack the motivation to relocate, their ability to lead will be substantially reduced.

The rate of cultural adjustment of expatriate leaders might also influence their managers' ability to provide effective leadership in the international assignment. Effective intercultural performance is contingent upon "fitting" leader backgrounds and the assigned culture together to provide a mental road map for leading host country nationals. According to Black and Gregersen (1991a, 1991b), managers must make three levels of cultural adjustment to become effective leaders:

1. Adjustment to nonwork environments – the external economic and cultural setting and providing support and assistance to spouses and families.
2. Adjustment to interacting with host-country nationals – in the job context (e.g., subordinates, peers, and superiors) and in public (e.g., regulators, bankers, suppliers, and customers).
3. Adjustment to the assigned position – learning new requirements of the job, particularly if the position represents a promotion, and adapting to the organizational climate, infrastructure, and physical settings.

The cosmopolitan nature of the manager might be enhanced by a manager's cultural flexibility, intercultural communications capabilities, self-confidence, and self-perception, all of which might have been enhanced because of past relocation experiences. The willingness to relocate and the experience of having relocated to a different culture might be important factors in the rate of adjustment and the level of self-confidence to lead once relocated. The experience of an expatriate affects the in-country adjustment rate of the leader. All three levels of individual

adjustment (i.e., self-oriented factors, relational factors, and perceptually oriented factors) can be influenced by experience (Black, Gregersen, & Mendenhall, 1992).

The characteristics of an individual are pivotal in successfully fulfilling a leadership role in a multicultural setting. These qualities might vary from what is expected of a leader in their home country. Beyond the mental and physical attributes necessary to lead in a foreign assignment is the ability to communicate across cultural boundaries and to adjust to the new cultural setting. Flexibility, the organizational context, and the demands of the external environment necessitate a very self-confident individual. Without this positive self-image of confidence in adjustment to cultural demands, the would-be leader becomes mired in self-doubt, lack of understanding, and culture shock that will reduce the individual's leadership capabilities.

FIELD 1: SUBORDINATE CONTEXT

The success of any leader is somewhat contingent upon those under his or her command. Without an adequate number of qualified subordinates, the best leader is restricted to a performance level that will not meet organizational goals. The role of the subordinate in an international assignment becomes critical because of a several interrelated issues. The potential heterogeneity of the subordinates in an international assignment might be greater than in a domestic organization. Subordinates in foreign organizations might be expatriates, host nationals, or third country nationals, all of which present a potential cultural concern to a newly appointed manager. Sorting through the complex web of differences and how to handle effectively a multicultural group of subordinates might be very time consuming. The amount of time to address cultural diversity might be extended because of the manager's adjustment to the overseas assignment.

The number of subordinates might also be greater during the international assignment because supervision on-location might be less direct. The increase of span-of-control with a more diverse set of subordinates complicates the problem for the would-be leader. The cultural distance between the expatriate and local or third country nationals must also be factored into the leadership equation. The dissimilarity of basic tenets of one culture to another increases the probability of missed communications, cultural misunderstandings, and role ambiguities for both leader and subordinates (Anderson, 1983). The more cultures that are represented in the work group, the more arduous the task of the leader to find a leadership style to lead the group effectively. The similarity between leaders and their subordinates correlates with manager appraisal of the subordinates and their assessment of the manager. If the group and the leader do not have compatible or shared norms, values, attitudes, and role expectations, the probability of a successful leadership experience is diminished (Wexley, Alexander, Greenwalt, & Couch, 1980).

The concept of idiosyncrasy credit (i.e., past compliance, consistency with group norms, and competence in accomplishing group goals) helps to establish a leader within a group. Without the consistency that might come through common cultures and experiences, the expatriate manager might have difficulty in establishing credibility with a large, heterogeneous set of subordinates. To be successful, leaders must conform to their subordinates' cultural norms and values. Problems occur when leaders are sent to a foreign assignment to radically change it and

to make the subordinates change the leader's norms, rules, and behavior (Litzinger & Schaufel, 1982). Only after the group has achieved greater success will the followers adapt their relationship to the new norms of subordinate and leader behavior. One area in which leadership is challenged in multicultural work groups is the level of participation allowed to subordinates (Crossan & Mazotis, 2008). Participative management has become a normative management style in the United States. The successful expatriate leader might not experience the same level of success in many cultures because he or she might lack participation in decision making.

FIELD 2: ORGANIZATIONAL CONTEXT

Situational theorists agree that a subordinate's performance is contingent on four key constraints: (a) ability to work with others, (b) task motivation, (c) clear and appropriate roles and superior and subordinate relationships, and (d) the presence or absence of environmental constraints. To address constraints in the work environment, effective leaders might reorganize the work, modify the technology, provide additional resources, and remove physical constraints (Wofford, 1982). The difference in international assignments is that the internal environment; the organizational context might be significantly different from the internal environment to which the leader is accustomed in the United States.

The congruence of "fit" between domestic and international operations is the degree to which the needs, demands, goals, objectives, and structure of one component is consistent with the needs, demands, goals, objectives, and structure of the other. Congruence theory predicts that the greater the degree of "fit" between the internal environments, the more likely success of the good leaders from one organization to another (Yukl, 1989a). A consistent field-of-play in which leaders can work allows them to focus their attention on the task and the subordinates, and less on the internal organization environment. The human resource management infrastructure "fit" becomes their supporting mechanism.

A second dimension of internal environmental concern relates to the extent of integration and consistency between the various marketing tasks and functions performed by expatriates and leaders. Consistency among these marketing functions creates a constant for them and, therefore, they need not adapt to or learn a "new system." Subordinates of the foreign operation should be consistent with their counterparts in domestic operations. A difference in key human resource functions might occur between domestic and international operations because of the organizational life cycle of each operating unit. The length of time that a foreign division or subsidiary has been operating might influence the complexity and sophistication of their human resource functions. Researchers today believe that, in a rapidly emerging global economy, the necessary time to move through all four phases (i.e., domestic, international, multinational, and global) of the company life cycle could occur as rapidly as 3–5 years (Von Glinow & Mohrman, 1990).

Additional topics that define the internal environment and how the culture affects a leader are (a) the structure of international operations, (b) the headquarters' international orientation, (c) competitive strategy consistency among units, and (d) the experience of the management's international operations. Each of these internal organizational parameters impinges on leader

autonomy while they manage in a foreign assignment. These constraints center on interunit linkages and the degree of integration of the foreign operation unit into the domestic organization. The goal for human resource department is to maintain a degree of consistency between the culture of the organization's headquarters and its foreign subsidiary. Concurrently, it must maintain a fit with the local environment and the strategies of the foreign unit (Schuler & Jackson, 1987).

The differences between domestic and international operating units that could influence the success of leaders have been identified by other researchers to be the degree of organizational formalization, inflexibility of rules, cohesiveness of the work group, level of staff and advisory support, organizational rewards not controlled by them, and spatial distance between leaders and subordinates (Kerr & Jermier, 1978). The internal operations directly influence the ability of leaders to direct subordinates. The greater the incongruity to the domestic frame-of-reference, the less likely it is that leaders will succeed in directing subordinates in international affiliates.

FIELD 3: ENVIRONMENTAL CONTEXT

As the external environment has an impact on leaders, so does the internal organizational culture environment. The key external environmental issues are (a) level of economic development, (b) the population's cultural distance from that of the domestic country, (c) the level of development of infrastructure and economic institutions, (d) the host industry structure and the magnitude of difference to the home country, (e) the level of government intervention into personnel related issues, and (f) the strategic attractiveness and importance of the host economy to the strategic plans of the organization (Schuler, Fulkerson, & Dowling, 1991). The more diverse the environment of the host country compared to the organization's home country, the greater the impact on the leader's probability of success. For example, the greater the manager's adjustment to the cultural and economic setting, the longer the necessary time before the leader will be able to enact leadership qualities in the foreign assignment (Davidson, 1984). Logically, adjustment and acculturation to the host environment will take longer; therefore, the assessment of the leader must be modified to account for the adjustment period.

The exogenous factors that influence the internal operations of the business can be more specific than general macroeconomic issues. The structure of the industry is often different in the host country and the array of competitors is unique. The relationship between the host government and the local competitors favors the competitive posture and resulting strategy used by the international competitor. These external environmental constraints directly influence leader behavior and to an extent their success while managing in a host country.

The political, legal, and social cultural dimensions of the host country could influence the amount of time the leader has to interface with the local environment. The more intrusive these elements are in conducting business, the more leadership effort will be needed to fulfill requirements of the external environment. Other factors such as industry maturity, historic positioning and strategies of indigenous competitors, extent of unionization, level of nationalism, and existence of a national industrial policy have been identified as constraints on the management of a foreign company (Porter, 1990).

FIELD 4: LEADERSHIP BEHAVIOR CONTEXT

The behavior of leaders is composed of the overt and covert activities in attempting to influence others and to accomplish the goals of the organization (Montgomery, 2008). This behavior is somewhat contingent upon the amount of time and effort leaders exert to the various dimensions of their roles. These requirements vary by task, the type or number of subordinates, the organizational structure, the leaders' levels in the organizational structure, and the time they have available to accomplish the organization's goals. Their behavior has task, social, and emotional dimensions that are important when attempting to get individuals to follow directive or often to do something they are disinclined to do (Riki, Shay, & Jiatol, 2008). Figure 3 depicts the task and social dimensions of a leader. These activities might not be performed simultaneously, but they are fundamental to accomplishing the organization's goals and to the leader's success. The following activities comprise what is typically expected of a leader: (a) supporting, (b) consulting, (c) delegating, (d) recognizing problems and opportunities, (e) rewarding, (f) motivating, (g) managing conflict, (h) team building, (i) developing internal and external support, (j) clarifying, (k) planning and organizing, (l) problem solving, (m) informing, (n) monitoring, (o) representing, and (p) networking and interfacing (Yukl, 1989b). The time allocated to these activities varies considerably and can differ between cultures because of the difficulties of leading a heterogeneous work force during a foreign assignment.

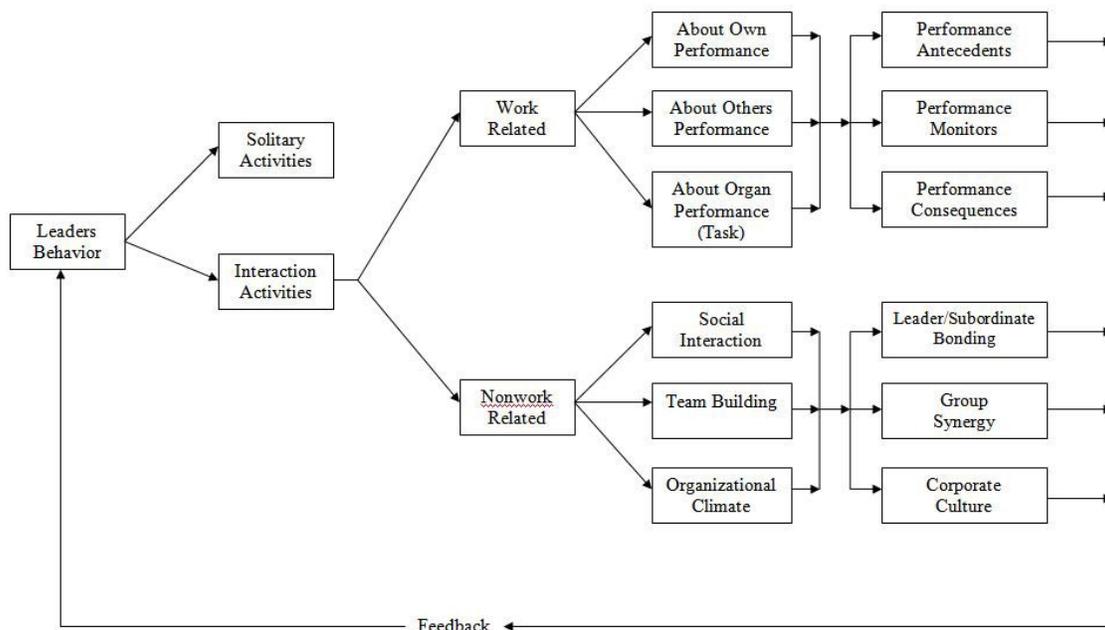


FIGURE THREE. TAXONOMY OF A LEADER'S BEHAVIOR

When considering leadership in multicultural settings, it is critical to examine the leadership style (i.e., the overt manner in which a leader attempts to exert his or her power to accomplish organizational or personal goals). Each leader will develop his or her own style of leading; however, leadership styles can be classified into four basic categories: (a) authoritarian versus democratic, (b) directive versus participative, (c) task versus relation orientation, and (d) laissez-faire versus motivation to change leadership (Bass, 1990).

Authoritarian Versus Democratic Leadership Styles

In the most fundamental context of leadership, the leader alters either the subordinates' information, understanding, or ability to cope with the task at hand or the subordinates' level of motivation to accomplish the task. In some situations, directive authoritarian leadership accomplishes the task and outperforms other leadership styles. The exercise of the leader's power to make decisions can be more successful when the leader has more knowledge of what to do and more explicit and implicit control of the necessary resources to accomplish the task. An army is an example of authoritarian leadership that has a high success rate.

Democratic leadership involves cooperative behavior, group loyalty, teamwork, freedom from individual punishment, and a loose informal structure. The need for collective participation in meeting task requirements over a long time favors democratic decision making. Democratic leaders foster subordinate development, commitment, loyalty, and involvement in decision making.

Democratic Versus Participative Leadership Styles

The directive leader plays an active role in problem solving and decision making, and expects group members to be guided by the leader's decisions. Directiveness is a distinct style of leadership in which the leader decides and announces his decisions without consulting subordinates. The directive leader's decision might or might not provide explanation or rationale for the decision. Directiveness also informs the decisions that are communicated to subordinates. The leader might manipulate, sell, persuade, negotiate, or even bargain in lieu of giving orders to subordinates (Berlew & Heller, 1983).

Participative leaders attempt to share power with their subordinates by sharing the final decision making with them (i.e., consensus is sought). The focus of the Degrees of participative leadership is on the amount of shared decision making through consulting subordinates and the leader's degree of delegated responsibility for decision making to subordinates.

Participative leaders remain active in the decision-making process, but they increase the degree of subordinate autonomy, power sharing, information sharing, and due process. One of the key outcomes of participative management and leadership is that the style promotes a greater acceptance of decisions and agreements than does directive leadership. Participative leadership is important when subordinates' acceptance, satisfaction, and commitment are important.

Task Versus Relations-Oriented Leadership Style

The task-oriented leadership style has an over-arching principle that the task drives decision making. The role of the leader and subordinates is built on the leader's assumptions about how to reach most effectively and efficiently the assigned goal, how to get the work done. This style of leader will be psychologically distant, have difficulty in trusting subordinates, and exhibit close, controlling supervision. These leaders develop and rely upon well-defined patterns of organization, channels of communication, and lines of authority to determine the means to

accomplish their goals.

Relations-oriented leaders attempt to get more out of subordinates by being their friend and by building personal relations with subordinates and the work group. They focus on group synergy to accomplish tasks and to maintain the group long-term. They are supportive of emotional and social ties within the similar group of subordinates. Many researchers have concluded that successful leaders must moderate the orientation of their tasks and relationships depending on a variety of situational considerations.

Laissez-Faire Versus Motivation-to-Change Leadership Style

The laissez-faire leader should not be confused with the democratic, relations-oriented, participative leader. The laissez-faire leaders avoid attempting to influence their subordinates and shirk their supervisory roles and duties. They lack confidence in their ability to lead; therefore, they generally occupy themselves with the routine paperwork of their position while shunning relationships with subordinates. They allow tasks to “drift,” leave too much responsibility to subordinates, set no clear goals, and do not help their group to make decisions (Bass, 1990). They practice management by exception and are considered leaders only because of their formal organizational position.

The motivation-to-change leader is one who is motivated by power, the absence of the need for affiliation, and the need to succeed in the organization by upward mobility and by receiving recognition. These leaders are motivated to maintain good relations with superiors, to compete for advancement, to be active and assertive, to enjoy exercising their power, to be visibly different from subordinates, and to accept responsibility for administrative details. The activity level and interest in being the leader is hallmark of the motivation-to-change leadership style.

Figure 4 illustrates the various dimensions of leadership style. Leadership style should be viewed as a continuum of activities and decisions that the leader must make, not as a dichotomous situation. The decision to adopt one style over another is strongly influenced by the situational variables present in the subordinates and in the environment, two diverse and critical issues when viewed in an international context.

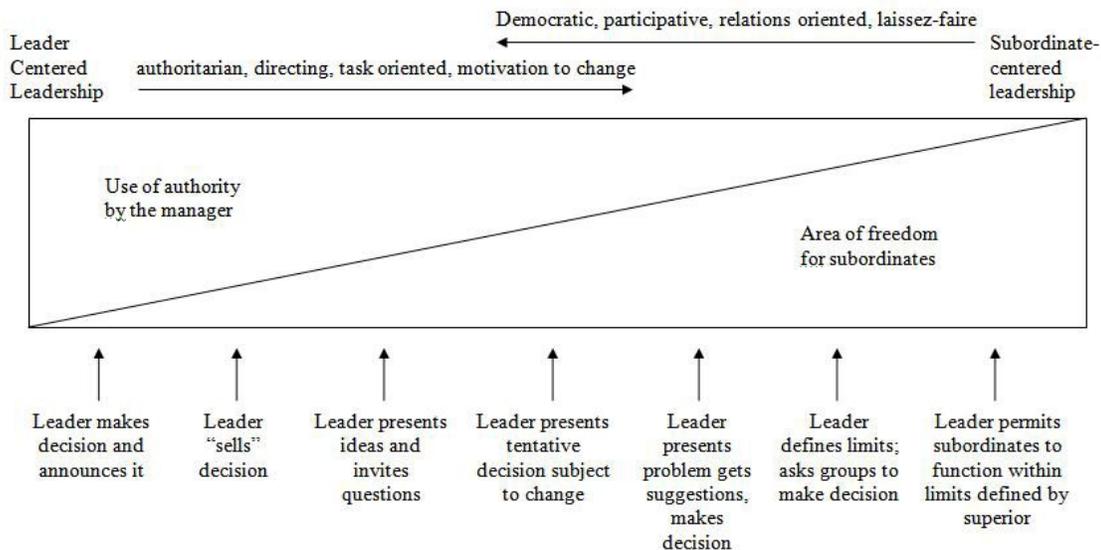


FIGURE 4. CONTINUING LEADERSHIP BEHAVIOR AND RESULTING LEADERSHIP STYLE

SELECTING LEADERS FOR INTERNATIONAL ASSIGNMENTS

A leader in one cultural setting might not be an effective leader in another country. Because of the variety of cultures, human resource managers must be proactive when selecting managers for international assignments. The underlying assumption is that leadership has a contextual dimension such that, for leaders to be most effective, their style must be compatible with the culture to which they are assigned. The issue is how to ensure compatibility between the two dimensions when making an international assignment.

Figure 5 is a graphic representation of two key dimensions of fitting a leadership style to the cultural context of foreign assignment. The first set of cultural considerations is derived from Hofstede's (1980) study of the work related attitudes across a broad range of cultures (p. 10). This comparison of cultures uses four independent dimensions:

1. Power distance – the distance between individuals at different levels of a hierarchy (e.g., the "pecking order" within a society or organization).
2. Uncertainty avoidance – the ability of a culture to deal with uncertainty about the future.
3. Individualism versus collectivism – the relation between the individual and others in the society (i.e., the degree of individual decision making that is accepted in a society).
4. Masculinity versus femininity – the division of roles and values in a society.

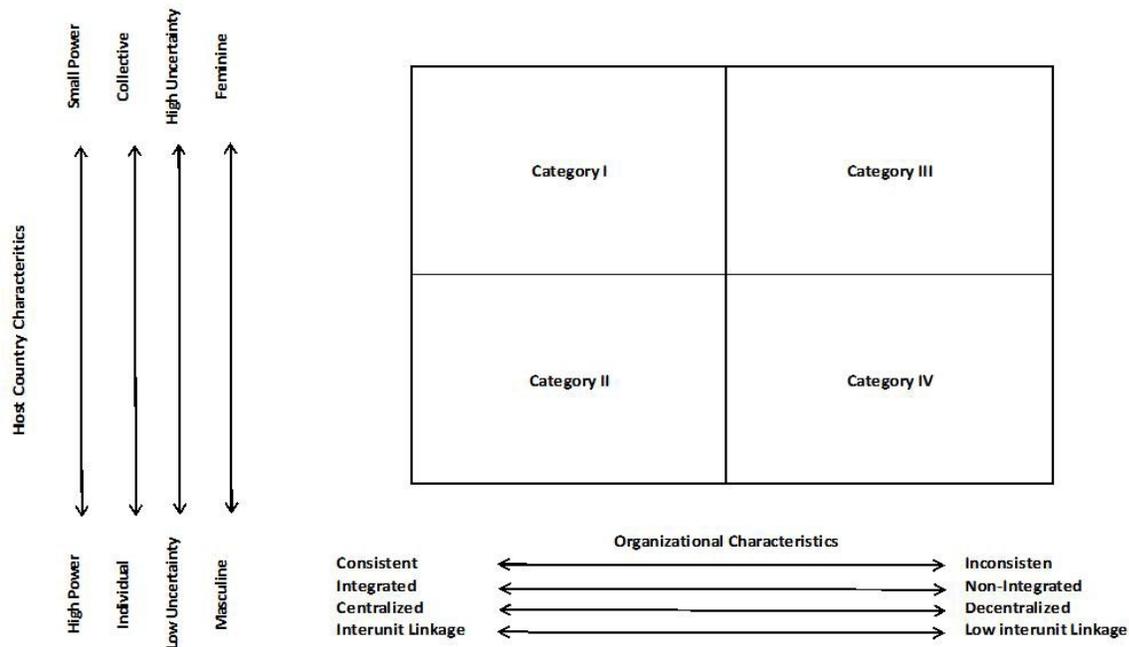


FIGURE 5. CONSISTENCY BETWEEN LEADERSHIP STYLE AND ENVIRONMENT

The second dimension of the cultural context of a foreign assignment is the crucial internal cultural characteristics of the foreign organization. The internal environment also has a direct affect on the success of the expatriate leader assigned to an overseas position. The comparison of internal organizational cultures reveals four elements:

1. Consistency – the level of continuity between the domestic and foreign organizations on fundamental policies, procedures, and administrative issues (i.e., the higher the degree of consistency, the more transferable the leader to the foreign environment).
2. Integration – the degree to which the operations of domestic and foreign units are using the same strategies to accomplish the goals of the organization.
3. Centralization – the level of autonomy given to the international unit to make decisions consistent with the local environment.
4. Interunit linkage – the tie to other international subunits and to the domestic operations.

THE FOUR-CELL MATRIX

The resulting four-cell matrix illustrates that leaders must be matched to both the internal and external cultures to be effective. Each of the four categories will be explained to better understand what type of leader would have a higher probability of success in each cultural situation.

Category 1

External Environment. Narrow power distance among members of a society; collective, loyalty, attachment to the company, group decision making, sharing of rewards, high tolerance for uncertainty and ambiguity; feminine role orientation with little differentiation between males and females.

Internal Environment. Consistent policies and procedures between domestic and international organizations; integrated human resource management infrastructure; centralized decision making, and inter-unit linkage between foreign operations.

The host cultures that are depicted by the external environment described would differ significantly from that of the United States. The collective decision making orientation and sharing of rewards within the group are characteristic of a number of cultures: Japan, Costa Rica, Korea, Thailand, Taiwan, and China. Although no single culture embraces all the characteristics used in the external environment analysis, they tend to be more like the description given above. To lead effectively in this environment, the expatriate would need a style that would be democratic, participative, emotionally supportive, and more laissez-faire than many successful leaders found in the United States.

The international organization being consistent with the domestic policy would necessitate less adjustment on the part of the relocated manager. An important dimension of the leader's position while on international assignment would be to reinforce headquarters' policies and procedures.

Frequently the operating policies of international subsidiaries are allowed to be localized to the organizational "customs" of the country. The relocated leader might have to spend time bringing the operation into alignment with the expectations of headquarters' management. An additional issue that would require the leader's attention would be coordinating the organization's efforts with other international operations. Inter-unit linkage implies coordination of individual subsidiaries located in the international marketplace. The problem of coordination stems from the perception that international subsidiaries are competitors for scarce resources allocated from their domestic headquarters. Therefore, subsidiary managers perceive their role as a competitor with other subsidiaries, reducing the tendency to coordinate their efforts, thereby attenuating unit linkage. The leader must instill the motivation among other international operating units to cooperate and create the international synergy that is expected by the headquarters.

Category 2

Internal Culture. Consistent policies and procedures between domestic and international organizations; integrated human resource management infrastructure; centralized decision making; and inter-unit lineage between foreign operations.

External Environment. High power, directive leadership; individualistic orientation, low acceptance for ambiguity; and sharply delimited and traditional cultural roles.

The external environment facing the leader in this category is one in which the culture and the subordinates expect to be directed by the leader. The formal hierarchy and the role of the leader should be well delimited and task and goals must be clearly identified for those under the direction of the leader. Hofstede (1980) has identified a set of countries that would be consistent with this orientation to leadership: Germany, Switzerland, Sweden, Finland, Norway, Denmark, Ireland, Austria, and Israel. Hofstede also includes the United States in this category; therefore, a manager who has successfully become a domestic leader could be transferred to one of these countries and “fit” or be consistent with the cultural expectations of his or her subordinates. It would be expected that the leader–subordinate relationship would be similar and that the adjustment time to the new position would not be extensive. The individual leadership style that would have a high probability of acceptance would be more directive, task oriented, and “motivation to change” style.

To complete the analysis of the leader who might be transferred overseas, the human resource managers would also need to assess the internal organizational culture. A high degree of continuity between the domestic and international organizations would indicate that the leader would not need to adapt to differences in operating procedures or policies. This situation is considerably influenced by the domestic organization and follows in the same tradition of human resource management. One might conclude that a less experienced and younger leader could be relocated to this assignment because the internally required skills would be compatible with his or her experience.

Category 3

External Environment. Small power differences among organizational hierarchy; collective orientation to decision making; low risk-taking behavior; less sharply delineated roles within the organization.

Internal Environment. Inconsistent policies and procedures when compared to domestic headquarters; contextual human resource management; decentralized decision making; and little international unit coordination of functional efforts.

The external environment that the leader would face in this category would be significantly different than the individualistic, entrepreneurial self-directed orientation of the United States’ cultural base. As was illustrated in Category 1, collective decision making and shared rewards require a democratic, participative leader style. The difficulty for the leader is that, unlike the Category 1 situation, little connection is made to domestic and other international operating units. The stand-alone subsidiary must be contextualized to the cultural requirements of the host country. Operating and human resource policies and procedures evolve into unique management practices.

The new operating infrastructure must reflect the cultural expectations of the host country. This context will require leaders who are comfortable in multicultural settings and sensitive to how they adapt their culturally bound behavior to lead effectively in this collective culture. The key difference between this leader and the Category 1 leader is the willingness to develop an

operating format different from the familiar domestic organization. In a number of cultures, collective, participative, democratic decision making among peers is a culturally predetermined and accepted management and leadership style. In addition to the countries mentioned in Category 1, countries with this cultural context include Singapore, Indonesia, Hong Kong, and the east African countries of Kenya, Ethiopia, and Zambia. To be effective in this category a leader must be experienced and adaptive.

Category IV

External Environment. High power differentiation in the culture; individual orientation; the ability to accept risk and ambiguity; traditional, well-delineated roles in the society.

Internal Environment. Inconsistent policies when compared to domestic operations; nonintegrated human resource policies; no coordination among international units.

The leader in this environmental context would find an external culture that rewards behavior similar to that in the United States. In addition, the domestic organization would allow or encourage the leader to develop an international unit independent to that of the domestic organization. The leadership profile in this category would be entrepreneurial. A very directive and, in some cases, authoritarian leadership style that is task-oriented and motivated to build an international organization in their own image.

While this combination of internal and external environments might be appealing to a number of candidates, it would require personal leadership style beyond the experience of many managers in large MNCs. Frequently the requirements to become successful in the hierarchical structure of a MNC are the antitheses of the requirements of acting as an entrepreneur. Identifying leaders with entrepreneurial qualities might prove to be a difficult task for human resource managers. These individuals are often not successful and either leave the company or are not considered to have overseas leadership potential and so not sent. Seldom does human resource management want to recommend a “maverick” for a key international leadership position.

SUMMARY AND CONCLUSIONS

A manager is not necessarily a leader. To direct effectively the international marketing activities of a MNC, human resource managers must identify leaders who will be successful in a variety of different cultures. In the past, marketing managers and other types of managers were selected for overseas assignments because of their technical competence. The resulting high failure rate of expatriates from the United States highlights the problems associated with this lack of understanding of how to lead successfully in multicultural settings.

The profiles of leaders who were discussed in this paper are “ideal” style descriptions and most candidates will not exhibit all the desired dimensions. The value of the leadership decision matrix is to avoid sending leaders to an environment where their style is in obvious conflict with the cultural requirements of a society. In addition, the matrix can be used to allow managers to modify their leadership style to better fit the requirements of their international assignment. The

leadership assessment process provides leaders with a better understanding of how to succeed in their international assignment.

Expatriate managers could face other potential environments that are delineated in these four categories; however, these four categories do illustrate how a leader can match his or her style to a potential foreign assignment. Additional issues must be considered to refine the selection process. Some of these issues include (a) the personal attributes of the leader and how these attributes are viewed in the culture where he or she will be assigned, (b) whether an assessment reveals that the potential candidate's decision-making process is different from his or her leadership style, (c) the cultural heritage of the potential leader, and the cultural distance between his or her home country and that of the assigned host country, and (d) the leader's interest and willingness to accept the new international assignment.

Leadership is a vexing problem that has intrigued human resource management for decades. However, these same human resource management experts select individuals to relocate overseas, yet base their decisions on how the managers have succeeded in a culture that has nothing in common with the countries to which they are transferred. The impact of culture on the ability to lead is a vital and integral component in developing international managers.

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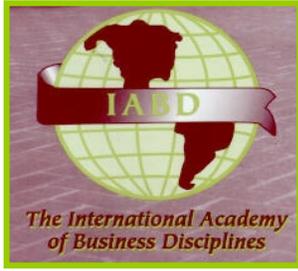
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