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Leadership, Motivation, and Group Behavior Across Cultures

There is probably no other topic generating more interest in business and nonbusiness organizations than that of leadership. More books and articles are published on this topic than on any other management topic, not only in the United States but in nations as diverse as Poland, China, and India. There are also countless educational and training programs devoted to the topic of leadership. And there are endless discussions of the factors that differentiate entrepreneurs starting their own businesses and executives rising to top-level positions in large, multinational corporations. All this frenzied activity is understandable given the obvious importance of the topic to leaders, potential leaders, and organizations of all types.

We begin this chapter by focusing on leadership across cultures. Next, we turn our attention to the related topic of motivation across cultures. Specifically, what motivates managers and employees in different cultures, and how is this topic related to leadership? In the final section of the chapter we consider group behavior and the manner in which the dynamics of leadership and motivation play out within this cross-cultural context.

Leadership

Paradox 3.1. Framing leadership: Is the essence of leadership being stuck on the horns of a dilemma?

Before reading the analysis of Paradox 3.1, you may want to assess your own theories and definitions of leadership. Briefly, how would you describe

successful leaders in terms of specific characteristics, and what differentiates them from unsuccessful leaders? Defining a metaphor as the use of one phenomenon to describe another, what is your metaphor for leadership? Many if not all of us theorize about leadership in one form or another either consciously or unconsciously, and it doesn't matter if you borrow your metaphor and theory from others or develop it yourself. But knowing your own metaphor and theory establishes a helpful baseline. You may also want to reflect on your personal views about the dynamics and models of leadership within different cultures and clusters of national cultures, in terms of both metaphors and theories.

A seemingly incalculable number of research studies of leadership have tested hypotheses derived from specific theories. Simultaneously a voluminous literature that is post hoc and circuitous in nature has developed. Leaders are frequently assumed to be effective if they occupy positions of power, even when performance is substandard.

Chester Barnard's classic book, *The Functions of the Executive* (1968), originally published in 1938, serves as an excellent initial framework for describing and defining leadership in management. Until the end of World War II, the focus was on a firm's *tangible* resources, such as plant and equipment, as they represented an effective way of creating barriers to entry against competitors in the manufacturing-based American economy. At the time, total labor costs were the largest component of total costs. Hence it was logical for managers, writers, and researchers to focus on workers and to develop methods of motivating them to become more productive. Today the more *intangible* aspects of firms—customer perceptions of service quality, brand image, tacit knowledge based on organizational learning, and organizational culture—are frequently much more important than labor costs as they provide formidable barriers to entry against potential competitors. John Kendrick (as cited in Hitt, Ireland, & Hoskisson, 2003, p. 81), an economist, has demonstrated that the ratio of intangible to tangible resources in 1929 was 30–70; by 1990 the ratio was almost the reverse. Far ahead of other writers, Barnard in 1938 swung the focus away from the worker level and toward management in ways that are still reverberating in the management field.

Influenced by his long business experience, including the presidency of Bell Telephone of New Jersey, Barnard began by defining the three essential elements of an organization: systems of communication between individuals and groups, motivation (willingness to serve), and common purpose integrating the efforts of individuals and groups. He then described the three fundamental tasks of the executive or manager: to develop systems of communication linking individuals and groups throughout the organization; to motivate subordinates; and to define the common purpose, or what the organization is

attempting to accomplish. In short, the executive is the critical factor in an organization, since the three key tasks of the executive mirror exactly the three essential elements of the organization.

Barnard's book, which is a long and somewhat disjointed narrative, proved to be popular with management specialists but not the general public. He is credited with many interesting ideas that are still influential beyond those discussed above. One of the most important concepts, the *zone of indifference*, which has been aptly renamed the *zone of acceptance*, arises in the area of motivation, the second of the manager's fundamental tasks. To Barnard, the manager's task is to motivate subordinates so that they expand their zones of acceptance of the strategy, vision, and goals that the leader is promoting. Motivational theory has built on this framework in many useful ways since Barnard's time.

For example, a body of research focuses on good *Organizational Citizenship Behavior* (to borrow the title of a book by Organ, Podsakoff, & MacKenzie, 2006), that is, the degree to which members of an organization are motivated to go beyond the "letter of the law" to follow the strategy, vision, and goals of an effective executive leader. Such organizational citizens might work all night to finish a project, come to work in a blizzard, and engage in similar activities that are far beyond their official job duties, in large part because of the motivational impact that a particular executive has. One such leader among many is Herb Kelleher, a founder and former CEO who imbued seemingly everyone at Southwest Airlines to work in such a fashion.

Barnard recognized that the specific activities of executives change as they move from position to position and, more particularly, as they are promoted. Organizational levels at which managers operate and the proportion of time they devote to planning are positively correlated, while face-to-face communication with subordinates declines simultaneously. Still, regardless of the organizational level, the manager must complete Barnard's three essential tasks.

Given the manager's complex roles, it is little wonder that dilemmas in fulfilling them occur. The term *dilemma* is of Greek origin and denotes two compelling, logical, and competing premises. In an influential article, Thomas Stewart (1996) summarized the results of a large, interview-based research project in Canada, which found that leaders must address the following nine dilemmas:

1. Revenue growth versus cost containment
2. A short-term versus a long-term focus on plans and results
3. Creativity versus organizational discipline, that is, allowing individuals to deal creatively with issues versus demanding that they complete specific and defined activities

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4. The needs of people, including adequate time away from work, versus the demands of productivity
5. Specific capabilities of subordinates versus their leadership potential
6. Independence versus dependence of organizational members and departments (independence achieved at the expense of others, through such activities as withholding information and not sharing resources, would be unacceptable)
7. Bureaucracy busting versus creating economies of scale, which leads to a large, complex bureaucracy
8. Trust versus the demand for change
9. Broad-based projects versus only high-visibility projects

The Canadian researchers argued that managers must emphasize two essential roles to be effective: *polarity management*, or balancing the two premises in each dilemma smoothly, and *ambiguity management*, as managers live in a world of uncertainty and ambiguity.

Stewart recommends that for each dilemma, a manager should construct a simple, two-dimensional chart with a 45° angle, which will allow the manager to see the current situation in terms of what is above the line and what

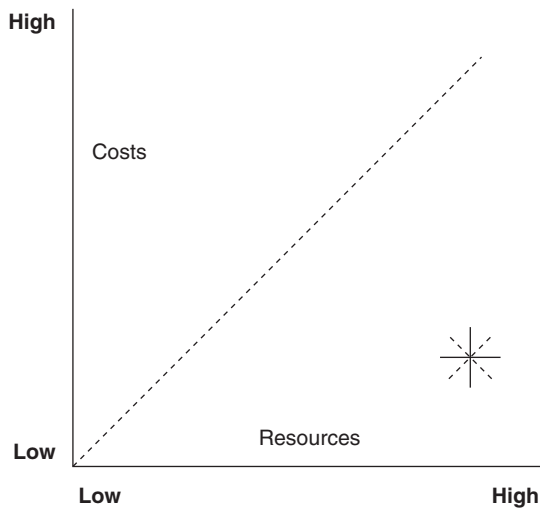


Figure 3.1 Managing the Dilemma of Balancing Cost Containment and Revenue Growth (10-point scale for emphasis on cost containment and resources devoted to revenue growth)

NOTE: As the emphasis on revenue growth increases, cost containment declines in importance. An optimal balance is achieved only along the 45° dotted line.

is below it. Each dimension goes from low (1) to high (10) on a standard 10-point scale (see Figure 3.1). In this way the manager has a general guideline for deciding whether one side of the dilemma should be emphasized rather than the other at a given time. To help the leader manage such polarities, Pfeffer and Sutton (2005) have developed a set of guidelines in six key areas, including strategy, leadership, individual versus group incentive systems, organizational change, balance of work-nonwork activities of organizational members, and specific financial incentives for particular purposes.

However, our review of the definitions of paradox (for example, Eisenhardt's specific definition: "the simultaneous existence of two inconsistent states such as that between innovation and efficiency"; 2000, p. 703) indicates that these polarities facing managers are in actuality that particularly important type of paradox, the dilemma. Similarly, Williams's *The Paradox of Power* (2002) revolves around the concept that a leader, in order to execute effective leadership, must give leadership away, or delegate authority to capable subordinates. The term *dilemma* connotes two equally compelling and competing premises, and the manager must choose one of two equally attractive or unattractive premises at any given moment. This perspective finds apt expression in the aphorism "caught on the horns of a dilemma." That is, managers must manage polarities and integrate the two elements of each dilemma.

For example, Jeffrey Immelt, the current CEO of General Electric (GE), who succeeded Jack Welch in that role a few years ago, is currently stressing innovation, which was downgraded in importance during the Welch years in favor of efficiency and total revenue growth to maximize the stock market valuation of the company. Immelt's actions, and those of any manager, represent the reason managerial leadership is so complex. As expected by the GE board of directors, Immelt's long-term focus on innovation did not lead to an immediate significant increase in GE's stock market price. Many investors are much more interested in positive short-term financial results than in the predicted favorable results associated with long-term investments in innovation. Thus the trade-off of selecting one premise over another tends to be a constant struggle.

When cross-cultural considerations enter the picture, leadership becomes even more complex. What is acceptable in one nation may be socially and even legally unacceptable in another nation, and the manager may be forced to adapt differential solutions to dilemmas in different nations. We do not yet possess a useful profile of the dilemmas that managers in various ethnic and national cultures face, but the role of the leader typically becomes more complex as the extent of global activities facing a particular firm widens.

Relatedly, research on what makes an expatriate manager successful indicates that such factors as flexibility and openness to new experiences are critical. For a recent review by the GLOBE researchers, see Javidan, Dorfman,

Sully de Luque, and House (2006). Their data support the concept of *cultural universals*, or practices that effective leaders employ throughout the world, such as being honest, decisive, and motivational. But they also present evidence for the existence of *cultural specifics*, that is, that some leadership practices, such as emphasizing subordinate participation in decision making and being team oriented, work well in some cultures but not in others. Our treatment of the four types of generic cultures is consistent with the perspective of cultural specifics; what works well in an authority-ranking culture will tend to be ineffective in market-pricing and equality-matching cultures. The GLOBE researchers also indicate that some leadership practices are universally perceived as reprehensible, including being autocratic or irritable. See Table 3.1.

Table 3.1 Cultural Views of Leadership Effectiveness (Partial List)

<p>Universal Facilitators of Leadership Effectiveness</p> <ul style="list-style-type: none"> • Being trustworthy, just, and honest (integrity) • Having foresight and planning ahead • Being positive, dynamic, motivating, and building confidence • Being communicative, informed, a coordinator, and a team builder <p>Universal Impediments to Leadership Effectiveness</p> <ul style="list-style-type: none"> • Being a loner and asocial • Being noncooperative and irritable • Being autocratic <p>Culturally Contingent Endorsement of Specifics That Work in Some Cultures but Not in Others</p> <ul style="list-style-type: none"> • Being individualistic • Being status conscious • Being a risk taker

See House, Hanges, Javidan, Dorfman, & Gupta, 2004; Javidan, Dorfman, Sully de Luque, & House, 2006.

Nevertheless, as Stewart has argued, polarity management and ambiguity management may be the essence of leadership. In this sense the essence of management is being hoisted or stuck on the horns of a dilemma. Still, a manager is typically mired in day-to-day activities in which such choices are difficult to identify. As Mintzberg demonstrated in 1973, the nature of managerial work is that managers work long hours on a bewilderingly large number of activities at an unremitting pace. They must react to problems as

they arise, and their work is brief in the sense that they do not have much time to devote to any one activity. The CEOs in Mintzberg's study engaged in activities extending from less than 2 minutes to approximately 2 hours. Performing the mundane tasks of leadership daily and implementing plans successfully are critical and just as important as selecting one strategy rather than another or selecting one premise rather than another. Charon and Colvin (1999) convincingly demonstrated that the major reason CEOs fail is that they fail to implement a strategy thoroughly and successfully. Such failures include delaying the termination of a key subordinate while this individual harms the firm significantly, not being actively involved in the implementation phases of a strategy, and exercising ineffective leadership that undermines the confidence of organizational members.

In sum, it is important to select the correct premise of any dilemma, but it is equally important to implement it thoroughly. In this sense effective and thorough implementation is always required, even when the manager selects the correct premise.

Paradox 3.2. Who is more effective, the instrumental-visionary-transformational leader or the headman?

Sports have become increasingly prominent in our world, and today sports programs are broadcast throughout the entire week and television channels are devoted specifically to promoting them. One reason often cited is that competition in sports mirrors the intense competition found in many nations, including the United States. You can reflect on what makes a successful leader on a sports team and a successful coach. Are the same characteristics that are preconditions for leadership on a sports team or for success as a coach identical to those predicting success as a manager?

The focus in this section is on the relationship between the four types of generic cultures and the appropriate pattern of leadership in each of them. You can obtain some general idea about your own leadership preferences by completing two items from the Gelfand-Holcombe (1998) survey directly below. After indicating your preferences, you may want to review briefly the description of the four generic types of culture (see Paradox 2.2) and the two Gelfand-Holcombe items discussed in that section. The answers to the two items below are provided at the end of this chapter.

- Suppose you had to use one word to describe yourself. Which one would you use?
___ a. Unique
___ b. Competitive

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- c. Cooperative
- d. Dutiful
- A famous photographer has offered you a very reasonable price for having a picture taken. Which picture would you choose? You with
 - a. Your three best friends
 - b. A very important person (a person who is bound to get into the history books)
 - c. No one else
 - d. Many members of the community, whom you are helping; it shows that you are sacrificing yourself for them

Most of our discussion will compare leadership within authority-ranking and market-pricing cultures, the two generic types of cultures found most often throughout the world. We will also discuss briefly the GLOBE study of leadership in 62 nations, with particular attention to equality-matching, or egalitarian, national cultures.

In the developed and market-pricing nations, the focus is on visionary and transformational leadership capable of moving an organization to a new plateau of success (Collins, 2001; Collins & Porras, 1994). *Transformational leadership* represents the degree to which the leader is able to effect a change not only in the firm's culture but also in profitability. *Visionary leadership* is the degree to which the leader provides a vision of the future to which organizational members subscribe so that the transformation can occur.

Jack Welch achieved enormous success as CEO of General Electric and was a transformational and visionary leader. Overall valuation of the company increased more than 400 times during his tenure. Echoing Chester Barnard, Welch argued that it is the leader's obligation to be transformational, regardless of the number of subordinates or the organizational level at which he or she operates (Welch, 2005). To that end, starting in 1985 he and his team developed a radical strategy focused on creating a borderless or global organization, emphasizing quality of production while minimizing costs and reducing the cycle time of production, and selling off strategic business units if they could not be No. 1 or No. 2 in their respective industries worldwide.

Welch was also the major supporter of the 20/70/10 managerial performance evaluation system, with those identified in the upper 20% in terms of performance receiving disproportionate rewards, 70% receiving adequate rewards to stimulate them to try to move into the 20% category, and 10% receiving few if any rewards. The disproportionate distribution of rewards is a cardinal feature of a market-pricing culture, whether it is an organizational culture, an ethnic culture, or a national culture. General Electric counsels

members of the lowest-performing group to leave the company if their performance does not improve quickly and significantly.

As this discussion of Welch's approach implies, the visionary and transformational type of leadership must be accompanied by *instrumental leadership*, with individuals being rewarded if they achieve the goals set by the leader or leaders. This is particularly true in a market-pricing culture. Visionary and transformational leadership without adequate instrumental rewards may work in the short run in a market-pricing culture, but after a short time at least some desired rewards must be forthcoming.

Welch and many others feel that effective visionary and transformational leaders come in all shapes and varieties (Collins, 2001; Collins & Porras, 1994). Alfred Sloan, the legendary CEO of General Motors who is largely credited with its extraordinary success from 1920 until 1960, was known as "Silent Al." He spoke sparingly at group meetings but normally followed up with memos outlining action items. Lee Iacocca led the product team at Ford for the path-breaking Mustang and later performed spectacularly as CEO of the moribund Chrysler when it faced bankruptcy in 1980, but his personality was quite different. Iacocca is an extroverted, hard-playing, and visibly energetic presence. He is frequently cited as a classic exemplar of *charismatic leadership*, with its focus on a larger-than-life individual capable of galvanizing and motivating subordinates through his assumed special abilities. The assumption of difficult-to-measure special abilities (*charisma*) that separates the leader from followers is the critical feature of charismatic leadership. Both Sloan and Iacocca represent visionary and transformational leadership, but Sloan was not charismatic.

Most important, visionary and transformational leadership is primarily one-way and restricted to behavior at work, with the leader developing both the vision and the transformational strategy and the followers implementing it. At the highest organizational level there may well be a high degree of subordinate involvement in the discussions of the strategic plan. Still, it is the CEO, with input from the board of directors, who decides what vision and strategy shall dominate. And, as CEOs know and at times have stated publicly, implementing the transformational plan successfully tends to require a Herculean effort. It is normally much more difficult to implement a strategic plan than to create a vision and a transformational strategy. Still, the game involving both the transformational strategy and its implementation plan is relatively simple: If subordinates do not achieve their specific and measurable goals, they are not rewarded and are usually asked to leave if more-positive results are not quickly forthcoming.

Today it is popular to talk about leadership within the context of sharing power with subordinates, although the reality may be much different in that

practices do deviate from values. Even in this instance, in market-pricing cultures instrumental rewards and punishments accompany not only vision-ary and transformational leadership but also *shared leadership*.

There is, however, a competing type of leadership in authority-ranking cultures found in such areas as Asia, Latin America, the Middle East, and Africa and termed "the headman concept of leadership" (Westwood & Chan, 1995). In the case of *headman leadership*, a *two-way psychological* relationship based on mutual obligations exists between leader and follower and *extends beyond work to include cultural and community factors*. The leader may receive disproportionate rewards, but he also has an obligation to look out for his employees at all costs, just as the head of a family looks out for other family members and the village head is responsible for everyone in the village. In return, subordinates are expected to be committed fully to the organization's vision, strategy, and implementation plan.

For instance, Japanese automotive firms operating in the United States tend to retrain their workers and pay them their regular salaries for 6 months or more when an economic downturn occurs; American automotive firms have moved to downsize their workforces much more quickly under similar circumstances. In Japan and other authority-ranking nations governed by a sense of shame, some owners and managers will devote a year or more to ensuring that downsized employees are placed in positions elsewhere. By contrast, some Western firms provide outplacement counseling but are not as actively and directly engaged in placing downsized workers and managers.

Annually in Japan, approximately 1,000 suicides are reported among corporate executives and entrepreneurs, and many more are unreported. Many of these suicides occur because the owners and upper-level managers feel a sense of *shame* if they fail their employees in any way, and particularly in guaranteeing employment. S. Sugawara (1998) recorded a particularly incisive example of this phenomenon revolving around Nobuo Shibata, a 48-year-old president of a small sheet metal company, and his brother. These executives took their own lives and left a plaintive note apologizing to all their employees for the slump in business.

You can obtain a copy of a recent international film, *The Secret Life of the Japanese*, which mirrors such realities in modern Japan. This film vividly portrays the wrenching changes occurring in Japanese corporations as they de-emphasize the authority-ranking model. This de-emphasis encourages and even mandates the increased use of informal ways of communicating and interacting at work, faster decision making, and quicker implementation. The new model, essentially a reflection of a market-pricing culture, also moves away from *guaranteed lifetime employment* and toward *employability* through continual educational and training programs and skill-enhancing

job rotations. If a company downsizes its workforce, presumably workers and managers will be able to obtain work elsewhere because of their enhanced skills and abilities.

Downsizings in Japanese companies are now more common than in previous eras. Some of the impoverished unemployed have constructed tent cities in parks because of the situation, something unimaginable prior to 1990. In one isolated rural area, so many individuals cut off from their families and society have committed suicide that the spot is now popularly known as Suicide Mountain. Japan has moved from an authority-ranking model toward a market-pricing model largely because of the impact of globalization and a deep economic recession lasting nearly two decades.

It is very unusual for a Western CEO to commit suicide because he has failed in his obligations to his employees and subordinate managers. *Personal responsibility* is much more important than shame in market-pricing cultures, and their legal systems reinforce this emphasis. The focus is on instrumental-visionary-transformational leadership that is primarily one-way in nature and restricted to the workplace. As might be expected, some companies deviate from this norm. Costco pays its workers an average salary of approximately \$40,000 per year, in comparison with \$8,000 for Wal-Mart; has a no-layoff policy; and willingly accepts labor unions and works with them effectively. Other companies that are exceptional in this regard are GEICO Insurance Company, a subsidiary of Berkshire-Hathaway, and Southwest Airlines. But this small group of companies constitutes an exception rather than the rule. And other U.S. companies guaranteeing lifetime employment just 30 years ago, including IBM and Hewlett-Packard, now emphasize employability.

Guaranteed employment and employability bring into perspective the two sharply differing leadership orientations found in market-pricing and authority-ranking cultures.

A reasonable justification can be made for the practice of employability in market-pricing national cultures. For instance, American-based corporations now devote more resources and money to education and training than do all the university and college business schools in the United States in combination. Numerous companies sponsor “corporate universities” offering excellent courses tailored to specific corporate needs and required for internal promotions. Also, the United States has for decades been creating jobs far more rapidly than many other nations have, due in part to the geographical mobility of its workers and the emphasis on employability.

It is also possible to justify the practice of guaranteed employment and related practices that are more prevalent in authority-ranking national cultures than in market-pricing cultures. The relationship between top management and other organizational members is tightly entwined and tends to

reflect the two-way psychological relationship based on mutual obligations. Sharply in contrast to General Motors, Toyota is an outstanding example of this close fit. Comparing General Motors and Toyota will allow us to spotlight and contrast how leadership is actualized in market-pricing and authority-ranking cultures.

During the 1980s, under the leadership of CEO Roger Smith, General Motors decided that the major problem it faced was the uneasy relationship with its workers and labor unions (Finkelstein, 2003). In short, the workers and their labor unions were the problem, and technology was the solution. Smith advocated building technology-intensive factories requiring far fewer workers than the labor-intensive factories common in the industry at the time. This strategy was so popular that *Fortune* magazine once recognized Smith as its CEO of the Year during the 1980s. Unfortunately, the new factories experienced great difficulty, at least in part because of employee opposition and the one-way manner in which Smith attempted to implement the strategy.

Toyota, on the other hand, decided that the technology was the cause of difficulty for the workers and not vice versa. Its executives and workers rearranged the assembly line so that the worker had easy access to the necessary tools and resources and a feeling of empowerment. In the Toyota System individual workers can shut down the assembly line if they see a major problem, workers are guaranteed lifetime employment, and quality circles of workers meet regularly to address issues and problems they face on the assembly line.

General Motors was following the instrumental-visionary-transformational model of leadership befitting a market-pricing culture in which the relationship between the leader and subordinates is one-way and limited to work. Toyota, conversely, was using the headman model of the classic authority-ranking culture. Ironically, General Motors and Toyota established a joint venture in Fremont, California, in a troubled General Motors factory in the late 1980s. General Motors wanted to learn about the Toyota System and chose the Fremont factory because it had an extremely low level of productivity and extremely high levels of employee dissatisfaction, absenteeism, and labor union hostility. Without changing the technology, management implemented both the Toyota production system and the Toyota philosophy in this factory in a spectacularly successful manner, making it one of the most successful in the General Motors system. Unfortunately, Smith and General Motors disregarded the results and failed to capitalize on this success. Today Toyota has become the largest automotive company in the world, replacing General Motors.

Of related interest, countless Western executives have traveled to Toyota City in Japan to study the Toyota System, which consists of two parts: its

philosophical assumptions and the actual production system. These executives easily comprehend how the production system works and have borrowed heavily from it in their own company operations. They have also attempted to introduce some of the philosophical assumptions in their own organizations, such as including “Respect for People” in corporate vision statements. Thus far Western executives have implemented the Toyota Production System far more successfully than the philosophical assumptions. Jeffrey Liker (2004), a longtime observer of the worldwide automotive industry, believes that no Western company has effectively copied and implemented Toyota’s philosophy, which he views as much more important than the Toyota Production System. Given that Western firms tend to emphasize market-pricing organizational cultures rather than authority-ranking organizational cultures, Liker’s conclusion seems warranted.

Some Japanese companies have moved away from the authority-ranking model espoused by Toyota. Nissan, for example, was facing the possibility of bankruptcy in the 1990s. Its CEO, Carlos Ghosn, a native of Brazil, spearheaded a dramatic turnaround of the company. Some of his actions involved downsizing the workforce and relocating factories to new areas in Japan and outside the nation in order to minimize costs. In most instances, workers were given the choice of either relocating to the new factories within Japan or accepting a generous buyout offer. Nissan also reduced the number of suppliers of parts, many of whom had been working with the company for decades, to save billions of dollars. The general public in Japan saw these actions as necessary for the company’s survival and hailed Ghosn as a corporate hero.

Unfortunately, there are limitations and consequences associated with both the market-pricing and the authority-ranking models as actualized in the practices of guaranteed employment and employability, as our discussion suggests. Guaranteed employment can allow employees and managers to work below their potential if they so choose. There is also a tendency to have more workers than is necessary for operating efficiently. One negative consequence of employability occurs in a downsizing, especially for workers and managers older than 40. Many of them struggle to obtain work elsewhere commensurate with their abilities and work experience. In some cases they must accept an undesirable position; in many cases, especially those older than 50, they cannot obtain any position. Skilled workers and managers also begin to view their relationship with the firm in purely instrumental terms, are more likely to be less committed, and are more prone to leave for perceived better opportunities, taking with them valuable knowledge and contacts.

At this time it is infeasible to recommend employability as superior to guaranteed employment or vice versa. It is also infeasible to recommend an

ideal system integrating aspects of both the authority-ranking and market-pricing models, although Ghosn's approach at Nissan represents a successful mixture of the two approaches. Whether his successful model can be employed by other firms is questionable given different industry and environmental conditions.

Still, in a highly competitive global environment, even the best-intentioned corporations using the market-pricing model often fail to meet their obligations, even to shareholders. A case in point is IBM Corporation from the late 1970s to 1992, even though *Fortune* magazine identified IBM as the most outstanding company in the world for 3 years in the 1980s. IBM also championed guaranteed lifetime employment during this period and was explicitly recognized in *In Search of Excellence* (Peters & Waterman, 1982), one of the best-selling books of all time, as one of the 24 outstanding American companies. But by 1992 the possibility of bankruptcy or being purchased by another company was realistic and threatening, largely because the capacity power of IBM's critical mainframe computers was challenged by the dramatic increase in computing efficiency of desktop computers.

When Louis Gerstner became the CEO of IBM in 1993, he created a vision around the concept of IBM's being the best company in the world offering high-tech computer-related services but one that no longer guaranteed employment. Gerstner correctly reasoned that a farsighted strategy focusing on high-end services and a de-emphasis of mainframe computing would generate increased profits, compensation, self-confidence, and commitment in the workforce. His vision and strategy were clearly successful.

There are, then, sharply contrasting leadership orientations in authority-ranking and market-pricing cultures. In some instances, as in the case of Nissan, they seem to enrich one another. Another striking illustration of enrichment involves Puter Sampoerna, who was educated in the United States and is president of the Sampoerna Company in Indonesia, the most profitable maker of Indonesian clove-based cigarettes. He employs all the modern financial, accounting, marketing, and production techniques learned at business school in the United States. But he also structures the factory in terms of the Indonesian villages in which workers were born. Each subdivision of the factory elects a headman or elder, who is responsible for hiring and disciplining workers in the "village" and handling any other matter of importance. Puter Sampoerna and other top executives do not even come onto the factory floor. They do, however, meet regularly with the headmen or elders (Blustein, 1994).

Beyond the cross-cultural comparison of authority-ranking and market-pricing leadership patterns, the empirical research linking leadership to culture in the GLOBE study of 62 nations confirmed that some *universal* leadership factors are endorsed across all 62 national cultures:

The portrait of a leader who is universally viewed as effective is clear: The person should possess the highest levels of integrity and engage in Charismatic/Value-Based behaviors while building effective teams. (Dorfman, Hanges, & Brodbeck, 2004, p. 678)

Such a leadership pattern represents an ideal, whether the generic culture is authority ranking, market pricing, community sharing, or equality matching. However, as our discussion of Paradox 2.3 indicated, actual practices frequently are far different from the ideal. It is important to note that the GLOBE study's definition of charismatic leadership is equivalent to this chapter's notion of instrumental-visionary-transformational leadership rather than to the narrow concept of charismatic leadership as defined by special abilities, or charisma, separating the leader from followers.

Briefly, the salient points of difference between the generic cultures of market pricing and authority ranking are a one-way versus a two-way psychological relationship between leader and subordinates; restriction of this relationship to the workplace versus extending it to include integration into the family, kinship group, and larger community; and radically different underlying models, one being instrumental only and the other structuring the corporation as a family.

In the GLOBE study, the researchers reduced the 62 national cultures to 10 clusters, within each of which nations expressed similar cultural values. However, there were still significant differences in values within each cluster. The researchers found that their 10 clusters and 62 national cultures differentially endorsed some distinctive leadership factors and de-emphasized others. Of particular relevance to our discussion is the Nordic-European cluster, which includes Denmark, Finland, and Sweden, generally considered to be nations epitomizing the ideal of the equality-matching culture. That is, these nations emphasize both a high degree of individualism and a low degree of power distance as manifested in an unusual combination of highly successful corporations, entrepreneurial firms, a generous welfare system, and a legal system relating monetary fines for violations to a person's income level. The GLOBE researchers indicate that this cluster strongly endorses the charismatic/value-based, team-based, and participative leadership dimensions. Such results are consistent with the major emphases in this generic type of culture.

However, the equality-matching model is found primarily in a small number of nations with small populations, particularly Scandinavian nations, which historically have had limited multiethnicity. Today these nations are experiencing increasing multiethnic tensions, a topic considered in Chapter 7. It is questionable whether the equality-matching model is appropriate in nations with large populations, and it is even questionable

whether the Scandinavian nations will maintain their traditional egalitarian focus in a globalizing world where multiethnic tensions are increasing. Also, as indicated earlier, Hofstede's research was not able to identify any nation employing community sharing, although it did not include the Communist nations such as Cuba and Russia, which officially endorse community sharing but in practice operate quite differently. Unless there is a resurgence of Communism or a new variation thereof throughout the world, which seems to be happening in some Latin American nations in which socialistic populism is gaining strength, it appears reasonable to conclude that globalization will play out in a world in which the authority-ranking and market-pricing models will contend with one another in many instances or integrate with one another in some fashion, as our discussion of Nissan suggests.

Paradox 3.3. When should a leader allow subordinates to participate in decision making?

One of the most popular topics in the area of work motivation is the degree of subordinate involvement in decision making. Participation makes eminent sense when time is not an issue, the subordinates possess knowledge that the leader does not, and participation will increase the probability of the acceptance of the leader's program. Research has consistently confirmed such findings.

However, much of the research was completed in the United States. Brockner et al. (2001) obtained survey data in several nations in a series of related studies. They demonstrated that commitment to the organization and participation were much more positively linked when respondents endorsed low power distance than when they supported high power distance. Such careful studies suggest that a leader or manager should probably consider the degree of power distance in a culture before either maximizing or minimizing the participation. These ideas are also consistent with our previous paradox emphasizing the difference between the instrumental-visionary-transformational leader and the headman concept of leader. When individuals expect that there will be a high degree of power distance in a culture, a manager who stresses the use of participation is directly challenging some core cultural values. Power distance, in short, should be taken into consideration when one is deciding whether to emphasize subordinate participation in decision making, and actions should be consistent with the extent to which it exists in a given culture.

Paradox 3.4. Can an effective leader be someone who publicly humiliates subordinates?

You are invited to indicate whether you would enjoy working for a superior who engaged in any or all the following: publicly humiliated and closely supervised workers, regularly pointed out supposed errors, and suggested strongly how each step of the work process should be completed.

In individualistic cultures, such a pattern of leadership would be considered not only ineffective but distasteful. Individualists would tend to favor a leader who would employ positive reinforcement, provide negative feedback in private, and allow the subordinates to work independently without close supervision. Carly Fiorina, the deposed CEO of Hewlett-Packard, was roundly criticized for publicly firing three senior executives when the company's sales did not meet the expectations that she was largely responsible for creating, at least in part because of the public humiliation she heaped on them (Loomis, 2005).

Surprisingly, at least in some collectivistic cultures, subordinates sometimes view public humiliation in front of peers and coworkers very positively. For example, subordinates in Japan will tend to react more positively to a manager who chastises them harshly than will their U.S. counterparts because the manager's behavior is seen as a sign of genuine care and consideration (Bond, Wan, Leung, & Giacalone, 1985). Similarly, Adler (2002) described an overbearing Filipino working in the Royal Bank of Canada who closely supervised Canadian subordinates and treated them severely. When a superior of the Filipino discussed the matter with him, the superior learned that many Filipinos view such a managerial style as reflective of deep concern for subordinates. Also, Gausden (2003) analyzed feedback among Albanians, who tend to be collectivistic. She confirmed that the Albanians she studied viewed strictly positive feedback as having no value.

While such empirical results concerning authority-ranking cultures have been uniformly reported in the research literature, seasoned observers have pointed out that some collectivistic cultures would regard negative chastisement in public as humiliating to subordinates. For example, in macho collectivistic cultures in Africa and Latin America, such behavior by a leader would be viewed as a personal attack and an affront. And if economic development is related to the rise of individualism, we can expect to see a more negative reaction to such leadership behaviors (see Paradox 3.4).

As Gary Oddou and Raj Pillai have pointed out (personal communication), the predictors of effective leadership, such as empathy, the ability to

work with others, and flexibility, may be identical across cultures. However, their *surface* features, or the manner in which the leader implements these predictors, vary enormously by culture. This is consistent with the distinction between cultural universals and cultural specifics. For example, the GLOBE study concluded that individualized consideration, which is a component of transformational leadership, was manifested as concern for the employee and the person's extended family in China and Mexico; the same concern would constitute an invasion of privacy in the United States. On the other hand, behavior such as complimenting a female job applicant or peer on her appearance is illegal in the United States but not in other nations. Hence it is probably wise for visitors to withhold judgments and evaluations when crossing and communicating with other cultures until they are able to understand the entire situation clearly.

Motivation

Regardless of whether the relationship between the leader and subordinates is one-way or two-way, leadership involves motivation. More specifically, how do leaders in different cultures motivate their subordinates?

Paradox 3.5. Is the relationship between motivation and ability additive or multiplicative in the prediction of individual success and performance?

One of the most fascinating paradoxes in the cross-cultural arena revolves around the issue of performance and success among individuals in both their organizations and their careers. At this point I invite you to assess the relationship between ability and motivation (sometimes thought of as effort) as either multiplicative or additive in terms of explaining the performance and success of individuals. This may seem like a trivial request, but as we will see, it is pivotal in the area of motivating across cultures.

In market-pricing generic cultures, Paradox 3.5 nestles in perhaps the most general theory of motivation: the expectancy theory. Simply stated, its basic postulate is that individuals must *perceive* that

- They have the proper resources, skills, and abilities to be successful.
- If they make a given effort (motivation), they will be successful and will be rewarded.
- The rewards are ones they desire.

Collectivistic cultures, particularly authority-ranking cultures, tend to assume that the relationship between ability and motivation, or effort, is additive. Conversely, individualistic cultures, particularly market-pricing cultures, tend to assume that the relationship between ability and motivation is multiplicative (Triandis, 2002). It is difficult to overestimate the salience of this distinction. For example, on a standard 10-point scale, receiving a 6 for both ability and motivation would give a score of only 12 for an additive relationship but 36 for a multiplicative relationship. In other words, individualistic, market-pricing cultures generally expect far more from their managers and workers than do collectivistic, authority-ranking cultures, at least in terms of putting forth maximum effort, thereby achieving a higher score for the relationship between ability and motivation. This, in turn, increases the total score or level of performance expected.

There are many programs and systems directly related to this emphasis on a multiplicative relationship between ability and motivation in individualistic market-pricing national cultures. In the United States, for instance, there is a strong belief that equality of opportunity but not equality of outcomes should prevail (Stewart & Bennett, 1991). Also, such well-known programs as “pay for performance” and “management by objectives” originated in the United States. They clearly suggest that individuals should be compensated for their levels of performance and that motivation or effort can dramatically influence performance.

Most probably, the contrasting cross-cultural leadership frameworks employed in our discussion of this paradox significantly influence whether there is a multiplicative or additive relationship between ability and motivation, or effort. As indicated previously, the authority-ranking culture sees the organization as a family in which the relationship between superior and subordinates is psychological and two-way in nature. In such cultures there is even a tendency to avoid rating and ranking managers and employees who must work with one another for 30 or more years. Statements of “average performance” or “above-average performance,” at least in part because they save face for the superior and subordinates, are common. By contrast, individualistic cultures, particularly those emphasizing market pricing, are well known for regularly and systematically rating and ranking organizational members and being far less concerned with saving face. For instance, the emphasis at GE on a 20/70/10 performance evaluation system has been copied by many other organizations in the United States and elsewhere. As discussed previously, 20% of the managers receive disproportionate rewards, 70% adequate rewards, and 10% few if any rewards. However, an excessive emphasis on the 20/70/10 system is controversial, in both theory and practice, and organizational members have sued their companies in some instances.

As in the case of leadership, numerous empirical studies have tested various theories of motivation and hypotheses derived from them. However, when culture is included in the framework, the relationship between ability and motivation is assumed to be significantly different.

Paradox 3.6. Can an individually based need hierarchy exist in a collectivistic culture?

It is useful to contrast two general types of motivational theories. The first focuses on the *process* of the motivational system used. Expectancy theory, discussed above, represents one of the major types of theories in this category. The second type emphasizes *internal states* such as the assumed needs and the concepts motivating individuals to behave in a particular fashion.

Abraham Maslow (1970) proposed one of the best-known needs theories. He essentially posited that an individual must satisfy needs sequentially, starting with the lowest level, physiological needs. The individual then proceeds to satisfy sequentially the remaining four levels: safety and security needs; love and belongingness needs, or social needs; esteem and self-esteem needs; and self-actualization needs, or realizing one's full potential. In several management sessions in which I have been involved over the years, the trainer asks the executives to identify the theory that they have found most helpful in their organizations and careers. Maslow's needs hierarchy ranks at or near the top of the list.

Many excellent studies have focused on this theory, and one well-accepted conclusion is that Maslow's five levels can be reduced to two levels. That is, individuals must satisfy their physiological and safety needs before they can consider satisfying the remaining, higher-order needs. Hence the hierarchy consists of only two levels. The assumption of sequencing extends to only these two levels and not to the original five levels proposed by Maslow.

As our discussion of leadership theory has indicated, however, market-pricing cultures tend to focus on the following: individual responsibility, a one-way relationship extending from leaders to the subordinates they are attempting to motivate, and an emphasis on high expectations as demonstrated in the multiplicative assumption between motivation (effort) and ability. Authority-ranking cultures emphasize a family model that is two-way between the leader and subordinates in terms of obligations and responsibilities, and an additive relationship between motivation (effort) and ability.

Such differences are important when considering the cross-cultural dimension of individualism-collectivism. In the studies scoring and ranking national cultures on this dimension, many Western nations, such as the United States, Germany, Sweden, and France, tend to rank higher on individualism than on

collectivism. The opposite situation exists for many non-Western nations, whose citizens stress collectivism.

Generally speaking, collectivism emphasizes the primacy of social needs and obligations. Individuals will tend to make decisions acceptable to the larger community and kinship groups in which they reside, even when they must sacrifice their own desires and needs. They tend to see themselves as dependent on and embedded in such groups. Individualism is the exact opposite: Individuals make decisions maximizing their own self-interests, and they view themselves as distinct entities apart from the groups in which they interact. These patterns imply that motivation in authority-ranking cultures is different from motivation in market-pricing cultures, and at least some research supports this interpretation. Iyengar (1998; see also Iyengar & Lepper, 1999) found that children of European-American backgrounds were more motivated when they had a choice and showed less motivation when the choice was made for them by either authority figures or peers. Asian-American children, however, were more motivated when trusted authority figures or peers made decisions on their behalf. Similarly Yu and Yang (1994) showed that achievement motivation in authority-ranking cultures accords primacy to group needs, even when the individual must suffer. In addition, Yu (1996) developed separate measures of individually oriented and socially oriented achievement and found them to be largely independent of one another among Chinese respondents. Those who possess a high degree of socially oriented achievement tend to look to others in the group to define goals.

Admittedly, motivation is a murky area, but our analysis suggests that its primary sources in collectivistic, authority-ranking cultures are social, while in individualistic, market-pricing cultures, such sources are person specific and ego centered. There are, of course, commonalities in motivation across cultures. For example, people generally want to be treated equitably and receive adequate rewards, but notions about equity and adequate rewards differ radically between market-pricing and authority-ranking cultures. Still, the remaining paradoxes in this chapter reinforce and support this interpretation of differential motivation in market-pricing and authority-ranking cultures.

Paradox 3.7. Do effective executives attribute success to themselves or to others?

While leadership and motivation are closely related, it is difficult to understand them without reference to *attribution theory*. This theory essentially explores the manner in which people integrate the various perceptions and stimuli they experience, after which they make generalizations or attributions about personal responsibilities, happenings, and environmental phenomena.

Of particular interest are the *fundamental attribution error* and its derivative, the *self-serving bias*. This error is generally understood to involve attributing success or failure to one or two of three possible causes: oneself; others, including subordinates, superiors, and peers; and the environment or situation. When a person in an individualistic, market-pricing culture is successful, there is a self-serving bias, or a tendency to attribute the success to the individual's own efforts and to de-emphasize the efforts of others and the impact of the environment or situation. For example, a newly appointed CEO may take the major credit for a company's success, even when it is the result of the painstaking work of many organizational members and the strategic decisions of the previous CEO or when global demand for a company's products unexpectedly rises. Conversely, when the person is unsuccessful, there is a self-serving tendency to blame the environment or others in the situation or both.

These results are not surprising, given our previous discussion of the relationship of ability and motivation, or effort, as either multiplicative or additive. Almost all the studies focusing on the fundamental attribution error have involved individuals from individualistic, market-pricing cultures. When someone succeeds in such a culture, it is assumed that the relationship between ability and motivation, or effort, is multiplicative, with effort dramatically altering the results. However, when culture is introduced into the equation, the results change dramatically.

Specifically, collectivistic, authority-ranking cultures also exhibit a fundamental attribution error but not a self-serving bias. In such cultures, when individuals succeed, they attribute their success largely to the work of others, such as subordinates, mentors, peers, and superiors. When they fail, however, they accept the responsibility and blame and argue that neither others nor the environment is a causative factor (Steers & Sanchez-Runde, 2002). In point of fact, the individuals may not be responsible for the failure and may have been a major causative factor for the success, but they incorrectly credit causative factors that seemingly do not serve their personal interests.

Korea stands as an exemplar of this type of perceptual framework. This nation, with its focus on a collectivistic, authority-ranking society, has deep Confucian roots. A study comparing Americans and Koreans found a self-serving bias in the American sample but not in the Korean sample (Nam, 1991). Behavior found in many Korean firms confirms the underlying model of the corporation as a family and the non-self-serving attribution error that appears to emerge because of it. For instance, in 2001 the Daewoo Motor Company was facing bankruptcy, and Lee Jon Dae, its chairman, had to authorize a downsizing of 7,000 employees. His subsequent extraordinary actions seemed to indicate that he was responsible for the unfortunate condition of the company. This was not accurate, as its

founder was largely responsible and had fled the country with company funds (and is now in a Korean prison). Mr. Dae's actions included enlisting politicians in a public endorsement of buying Daewoo cars; asking each politician to buy a Daewoo car; sending a personal letter to his counterparts at 26,000 companies, begging each of them to hire at least one of his downsized employees; and abjectly bowing to a downsized employee at a job fair the company organized and profusely apologizing to him for having to lay him off. The employee was surprised at such total acceptance of responsibility and consoled Mr. Dae with the statement that the downsizing was not his fault. Such CEO behavior is virtually unthinkable in the United States.

Gelfand et al. (2002) compared the collectivistic Japanese culture and the individualistic U.S. culture empirically in terms of their relative egotistic perceptions of fairness in negotiations within Japan and the United States. Their result strongly supported the self-serving bias found in the United States (taking credit for success but blaming others or the environment or both for failure) but much less so in Japan. Given our discussion of individualistic and collectivistic cultures, these results are expected. But the statistical support for them indicates that the self-serving bias is stronger than expected.

There are, then, clear linkages between leadership, motivation, and perceptions across cultures. Such differences help explain actual behaviors, as highlighted in our final section.

Group Behavior

Many fascinating research studies focus on small-group behavior. For example, some groups include "token minorities," whose status is questionable until the percentage of minorities increases to 20%. Automatically, it seems, such individuals are no longer perceived as tokens. Similarly, groups frequently tend to follow the *linear four-step pattern* of (1) *forming*, or deciding who will be a member of the group, getting to know one another, and defining precisely what the group is going to do; (2) *storming*, or debating and fighting over specific priorities and tasks; (3) *norming*, or creating standards and mutual expectations that group members should follow in discussions and in completing tasks; and (4) *performing*. In this section we discuss three key paradoxes focusing on the relationship between culture and group behavior.

Paradox 3.8. Do groups contain free riders, or are all members equally responsible contributors?

At least since the time of Aristotle, writers have commented on the *free rider effect* found in groups. In small groups, this effect is evident. That is, if there

is no way of assigning individual responsibility, one or more members of the small team will not do their equitable share of the work, thus forcing other members of the group to pick up the slack. It is for this reason that peer-group ratings frequently accompany group projects, both in industry and in other settings, such as colleges and universities.

Also, as the size of the group increases and assigning individual responsibility becomes increasingly difficult, the free rider effect seems to strengthen. For example, many members of labor unions willingly contribute monthly dues but rarely attend union meetings, and many more people watch public television than contribute money to support it (Olson, 1971).

When culture is introduced into the equation, the free rider effect found in individualistic, market-pricing cultures is reversed. That is, in collectivistic, authority-ranking cultures, individuals work harder in groups than they do if they work alone (Steers & Sanchez-Runde, 2002). Karau and Williams (1993) completed a meta-analysis of 147 social loafing effects from studies completed in the United States and 15 effects obtained in collectivistic Pacific Island nations. They confirmed that on complex tasks, the results reported by Steers and Sanchez-Runde held, as expected. This pattern is consistent with our perspective on collectivism, which makes it difficult for the individual to be considered a separate entity apart from the group. Understanding the role of individualistic and collectivistic cultures, and whether individuals within each of these two cultures possess values consistent with the values of their cultures, helps us to see why the free rider effect is influenced by culture. Such consistency predicts whether the outcome will be free riding or the active acceptance of group goals (Earley, 1993).

Paradox 3.9. In general and in small groups, do the personalities of individuals primarily reflect the influence of culture?

There are, however, individual personalities that deviate from the values of a specific culture. It is possible to discern individualistic personalities within collectivistic cultures and collectivistic personalities within individualistic cultures. You may want to obtain a very rough estimate of the individualism-collectivism dimension of your own personality by listing 20 items, adjectives, and brief descriptions in response to the phrase “I am . . .” before reading the next paragraph.

At this individual level of analysis, collectivists tend to emphasize group-oriented items, such as being a member of a family, church, or social club. Individualists, on the other hand, tend to stress person-centered items such as being achievement oriented, personally responsible, and personable. There

is no magic number to be derived from the “20 items” exercise, but it does provide a rough measure of a person’s tendency to favor either collectivism or individualism.

When personalities interact within either individualistic or collectivistic small groups, the results generally support the criticality of culture. A collectivistic personality strives harder in a collectivistic than in an individualistic small group, and an individualistic personality is less cooperative in an individualistic small group than in a collectivistic small group (Chatman & Barsade, 1995). It appears that individualists will adapt to collectivistic norms if they want to be accepted by the group, while collectivists begin to adopt a more individualistic orientation while in individualistic groups.

De Mooij (2005) points out that East Asians, who tend to be collectivistic, believe in the continuous shaping of personality traits by situational influences. They do not make a sharp distinction between the individual and the situation. Indeed, collectivistic cultures throughout the world tend to follow this pattern. Conversely, a Western personality assumes a norm of consistency and acting in character rather than being shaped by the situation and acting differently in different situations (see also Smith, Bond, & Kagitcibasi, 2006, Chapter 6). Such a viewpoint is consistent with the values of individualistic cultures. Similarly, Allik and McCrae (2004) have demonstrated that geographic clusters of nations exhibit sharply different personality profiles.

Paradox 3.10. Should multicultural small groups be managed differently from single-culture groups?

Kenwyn Smith and David Berg (1987) have developed some counterintuitive concepts about the functioning and management of multicultural small groups. In a single-culture small group, the emphasis is understandably on the similarities of group members, the open recognition of which allows the group members to establish common norms quickly and to work together very efficiently. Smith and Berg point out that such similarities are frequently nonexistent in multicultural small groups, where differences predominate.

As a result, these researchers have developed a three-phase process to enhance the functioning of multicultural small groups. In the first phase, learning how to learn together, they ask group members to describe situations in which they learned something of value. An answer might describe an open sharing of information in an atmosphere encouraging and rewarding learning, for example. They then ask group members to describe situations in which learning was inhibited, which might elicit situations when time was consumed pandering to inflated egos and a climate of blame prevailed. The second phase,

discovering members' unique cultural contributions, can be addressed in many ways, such as asking group members to describe the major events in their home cultures during the past decade. Typically the descriptions vary widely, leading members to acknowledge that their knowledge of other cultures is limited. During the third phase, exploring group polarities, Smith and Berg (1987) ask each member to list 8–10 sacred, or major, rules for the way small groups should function in the member's home culture. Next, each member sits with a member from another culture to discuss their respective sacred rules, after which there is a group discussion.

As in the case of the nine dilemmas of leadership described in Paradox 3.1, this three-phase process appears to result in a description of dilemmas that small groups face, such as an emphasis on collectivism or individualism; autocratic versus participative decision making; spontaneous versus orchestrated decisions decided before the meeting, with the meeting serving only to legitimize them; task orientation versus process orientation; and quality versus quantity of actions taken. Smith and Berg (1987) argued that the group, by openly acknowledging these polarities, is now positioned to take actions that incorporate each element of each polarity.

Whether complete success in the functioning of each small multicultural group is attained is beside the point. Rather, the movement is away from a linear and nonparadoxical way of thinking to a nonlinear way of thinking that accepts paradoxes openly. Just this open acknowledgment of polarities and the need to integrate each element of the paradox should facilitate the group's dynamics, at least in many instances. Still, the paradoxes that Smith and Berg (1987) identified are of a special type, namely, dilemmas. It may simply not be possible to integrate both elements of each polarity, even when there is open acknowledgment of their existence.

This paradox, as well as the others described in this chapter, confirms that perception, leadership, motivation, and actual behavior differ significantly across cultures, particularly when we compare collectivistic, authority-ranking cultures and individualistic, market-pricing cultures. In the next three chapters we explore what happens when cultures collide or interact.

Takeaways

1. Leadership is a dilemma, and an individual should recognize this fact before accepting any leadership position that might be uncomfortable without such understanding. From this perspective, leaders perform two key roles: polarity management, or balancing both sides of a dilemma smoothly, and ambiguity management.
2. There are some cultural universals that characterize effective leaders across cultures, but there are also some cultural specifics of leadership behavior that

work well in some cultures but not others. There are also some leadership practices, such as lying and being ruthless, that are universally seen as reprehensible.

3. Charismatic leadership as described in this chapter is not a necessary prerequisite for effective visionary and transformational leadership.
4. While the four generic types of cultures are clearly separable from one another, it is possible to integrate at least some of them in actual situations, as in the case of Carlos Ghosn at Nissan.
5. There are strengths and weaknesses associated with each of the four types of cultures, and emphasizing one type to the complete exclusion of the other three types can be problematic in many instances.
6. Assumptions about motivation vary by culture, especially in regard to whether the critical relationship between motivation and ability is additive or multiplicative.
7. The dimension of individualism-collectivism without reference to any other dimensions is very useful for understanding many cross-cultural issues in such areas as leadership, motivation, and group behavior.
8. Individualistic cultures display a greater tendency toward free riding in small groups than collectivistic cultures do.

Discussion Questions

1. Did Chester Barnard argue that workers were of minor significance compared to managers or leaders? If yes, why? If no, why not?
2. How does charismatic leadership differ from transactional and visionary leadership? Identify a transformational leader who was not charismatic; explain why.
3. How does the size of a nation's population and its multiethnicity seem to influence its equality-matching, egalitarian focus?
4. What is the fundamental attribution error? How does it relate to the self-serving bias in individualistic and collectivistic cultures?
5. How does group size relate to the free rider effect? Please explain. Critically compare this effect in individualistic and collectivistic cultures.
6. This chapter employs the dimension of individualism-collectivism not only when talking about groups but even when talking about individuals. Does this suggest that individualism-collectivism is not only a cultural or group concept but also a personality concept? Why or why not?
7. Compare and contrast the advantages and disadvantages of guaranteed employment and employability from a cross-cultural perspective.
8. How does individualism-collectivism relate to Maslow's needs hierarchy?

Exercises

1. Class members should each identify an organization about which they are knowledgeable and draw nine charts to explore Thomas Stewart's framework for nine leadership dilemmas. The charts can be shared with another class member or the entire class. Also, this exercise can form the basis of a written assignment focusing on why the charts have been constructed in specific ways, the general profile that emerges of both leadership and the organization, and the conclusions or recommendations to management that can be derived.
2. In this chapter several exercises were suggested, including the identification of personal metaphors for leadership and the "20 items" relating to individualism and collectivism. Each small group in the subdivided class can discuss these two exercises and the differential responses they generated, and report back to the entire class what they have learned.
3. You are a first-line supervisor in a production company. As you are observing the factory floor, you notice that one employee is working with his safety guard up. Such a practice speeds up the work and makes it easier for the worker to complete the tasks. However, having the safety guard up is a serious violation and has resulted in several accidents. As he sees you, he immediately puts the safety guard down. How would you expect the first-line supervisor, as a leader, to respond in the four types of generic cultures (community sharing, authority ranking, equality matching, and market pricing) to handle this situation? Would the leader immediately confront the worker and punish him with a 3-day layoff, as required? Would the leader take the worker aside and talk to him about the dangers but still give the layoff? Would the leader take the worker aside and discuss the matter with him, holding off on any action until he hears what the worker says? Would the leader chastise the worker in front of other workers and use him as an example? What else could the leader of each selected generic culture do that would be consistent with the values of the culture?

The instructor may choose to focus a general class discussion on this topic or to form small groups and let each of them appoint a recorder to report back to the entire class, followed by discussion.

Answers to the Two-Item Survey

For the Gelfand-Holcombe two-item survey in the chapter (pp. 53–54), the corresponding answers for the first item are c, community sharing; d, authority ranking; a, equality matching; and b, market pricing. For the second item, the answers are: a, community sharing; d, authority ranking; c, equality matching; and b, market pricing.