Cross Cultural Management:
Culture and Leader Effectiveness – The Globe study

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The GLOBE Study

A second important cultural framework, the Global Leadership and Organizational Behavior Effectiveness (GLOBE) project provides managers with an additional lens through which they can better understand the relationship between National Culture, Societal Effectiveness and Desirable Leadership attributes.

The GLOBE 2004 study was the culmination of a ten-year quantitative survey-based study of societal culture, organizational culture, and attributes of effective leadership in 62 societies around the world. Ground breaking in scale and scope, the project features results based on data from 17,300 middle managers in 951 organizations in the food processing, financial services, and telecommunications industries as well as archival measures of country economic prosperity and the physical and psychological well-being of the cultures studied. The study redefined scholarly understanding of how culture and leadership vary by national culture.

GLOBE Cultural Dimensions

1. Performance Orientation indicates the extent to which a society values and rewards performance improvement, individual achievement, excellence ("doing cultures" are performance oriented)

2. Uncertainty Avoidance indicates the extent to which individuals are comfortable around risks, ambiguity, and unpredictability. Countries that score high on the Uncertainty Avoidance dimension value order, rules, laws and regulations.

3. Humane Orientation indicates the extent to which individuals or a society emphasizes altruistic, caring, nurturing behavior. In nations that score high in this particular dimension, individuals are responsible for the collective well-being (note the similarity between Globe's Humane Orientation and Hofstede's Masculinity/Femininity cultural dimensions

4. Institutional Collectivism indicates the extent to which collective distribution of resources and group loyalty are encouraged, rewarded and prioritized over individual pursuits (Asian and Scandinavian cultures tend to score high in this dimension)

GLOBE Cultural Dimensions

5. In-Group Collectivism indicates the extent to which people identify with the social groups they belong to - such as families and organizations -, and the degree to which social expectations condition individual behavior. In societies that score high in this dimension there is a strong tendency to distinguish between in-groups and out-groups.

6. Assertiveness indicates the extent to which members of a certain society are direct, competitive and often confrontational

7. Gender Egali-tarianism indicates the extent to which a society values and emphasizes equality between genders (with regard to Hofstede's framework, societies that score high in Gender Egalitarianism overlap with "Feminine" societies)

8. Future Orientation indicates the extent to which members of a certain society prioritize long-term planning and delayed gratification over short-term gains

9. Power Distance indicates the extent to which members of a certain society tolerate and accept unequal distribution of power and wealth.

GLOBE Culture Clusters

Similar to Hofstede, the GLOBE researchers categorized countries into clusters of countries with similar cultural characteristics.

This categorization provides a convenient way to summarize cultural information for a larger number of countries and simplifies the task of the international manager attempting to manage effectively in countries within clusters.

Because the clusters include societies with similar cultural profiles, similar cultural adaptations can be made.

GLOBE Culture Clusters

- **EASTERN EUROPE:** Albania, Georgia, Greece, Hungary, Kazakhstan, Poland, Russia, Slovenia
- **GERMANIC EUROPE:** Germany, Austria, The Netherlands, German speaking Switzerland
- **NORDIC EUROPE:** Denmark, Finland, Sweden
- **LATIN EUROPE:** France, Italy, Spain, Portugal, French speaking Switzerland, Israel
- **ANGLO:** Australia, English speaking Canada, New Zealand, Ireland, UK, South Africa – White population, United States of America
- **LATIN AMERICA:** Brazil, Guatemala, Argentina, Ecuador, El Salvador, Colombia, Bolivia, Costa Rica, Venezuela, Mexico
- **CONFUCIAN ASIA:** China, Hong Kong, Singapore, Japan, South Korea, Taiwan
- **SOUTHERN ASIA:** India, Indonesia, Iran, Malaysia, the Philippines, Thailand
- **SUB-SAHARAN AFRICA:** Namibia, Zambia, Zimbabwe, South Africa – Black population
- **MIDDLE EAST:** Qatar, Egypt, Morocco, Turkey, Kuwait

Leadership Styles Across Cultures

To compare how the different clusters rate different forms of leadership, the GLOBE researchers considered six leadership profiles:

1. **Charismatic type** – degree to which the leader can inspire and motivate others

2. **Team oriented** – degree to which the leader can foster a high functioning team

3. **Participative type** – degree to which leaders involve others in decision-making

4. **Humane-oriented type** – degree to which the leader shows compassion and generosity

5. **Autonomous** – degree to which the leader reflects independent and individualistic leadership

6. **Self-protective** – degree to which the leader is self-centered and uses a face-saving approach

Country Clusters and Preferred Leadership Styles
Table 1

Leadership Style	Anglo	Confucian Asia	Germanic Europe	Latin America	Middle East	Nordic Europe	Sub-Saharan Africa
Charismatic	High	Medium	High	High	Low	High	Medium
Team-oriented	Medium	Medium / High	Medium / Low	High	Low	Medium	Medium
Participative	High	Low	High	Medium	Low	High	High
Humane-oriented	High	Medium / High	Medium	Medium	Medium	Low	Medium
Autonomous	Medium	Medium	High	Low	Medium	Medium	Low
Self-protective	Low	High	Low	Medium / High	High	Low	Medium

Country Clusters – Preferred Leadership Styles

Table 1 provides further insights to understand how cultural differences affect preferences for leadership styles. Consider, for example, the Nordic Europe cluster, including Scandinavian countries such as Denmark, Finland, and Sweden. These countries have low levels of masculinity, low levels of power, and high individualism. It is therefore not surprising to see that individuals in such societies prefer leaders who are more charismatic and who demonstrate participative leadership tendencies. The least preferred style for this cluster is the self-protective leader, which is more representative of individualist cultures.

Countries in the Latin American cluster (which includes some of the emerging markets of Argentina, Mexico, and Brazil) tend to be more collective, have high power distance, and have high uncertainty avoidance. It is therefore not surprising that leaders who are successful in this cluster are those who make decisions collectively, who treat their subordinates with formality, and who display charisma.

Country Clusters – Preferred Leadership Styles

The countries in the Middle East cluster (which includes countries such as Egypt, Morocco, and Turkey) tend to score high on uncertainty avoidance, high on collectivism, and medium on power distance.

As a result, because of the high levels of uncertainty avoidance, subordinates are often reluctant to make decisions that involve risk, thereby explaining the high ranking for autonomous leadership style.

Thus, it is not surprising that the Middle East cluster prefers leaders who are less participative. Furthermore, the preferred leadership style in this cluster behaves in a collective manner and tries to maintain harmony because of the high level of collectivism.

Country Clusters – Preferred Leadership Styles

Although there are cultural differences between clusters, it is important to see that the clusters do share some similarities. For example, the charismatic leadership style is preferred in all clusters except the Middle East cluster. In addition, Table 1 shows that the humane-oriented leadership style is preferred in all but the Nordic Europe cluster.
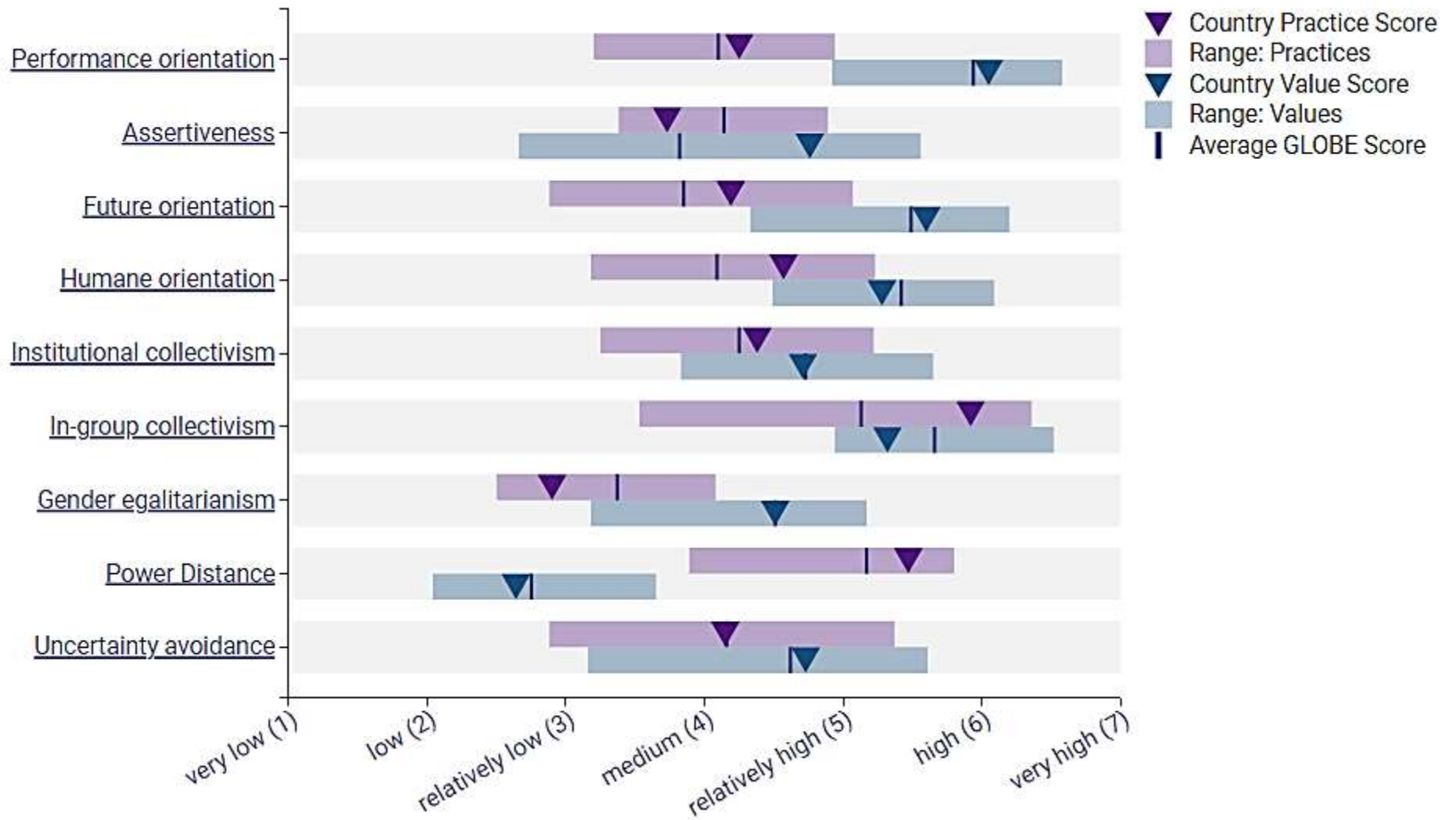
In contrast, leadership styles based on individualist tendencies, such as the autonomous and the self-protective types, tend to be least preferred.
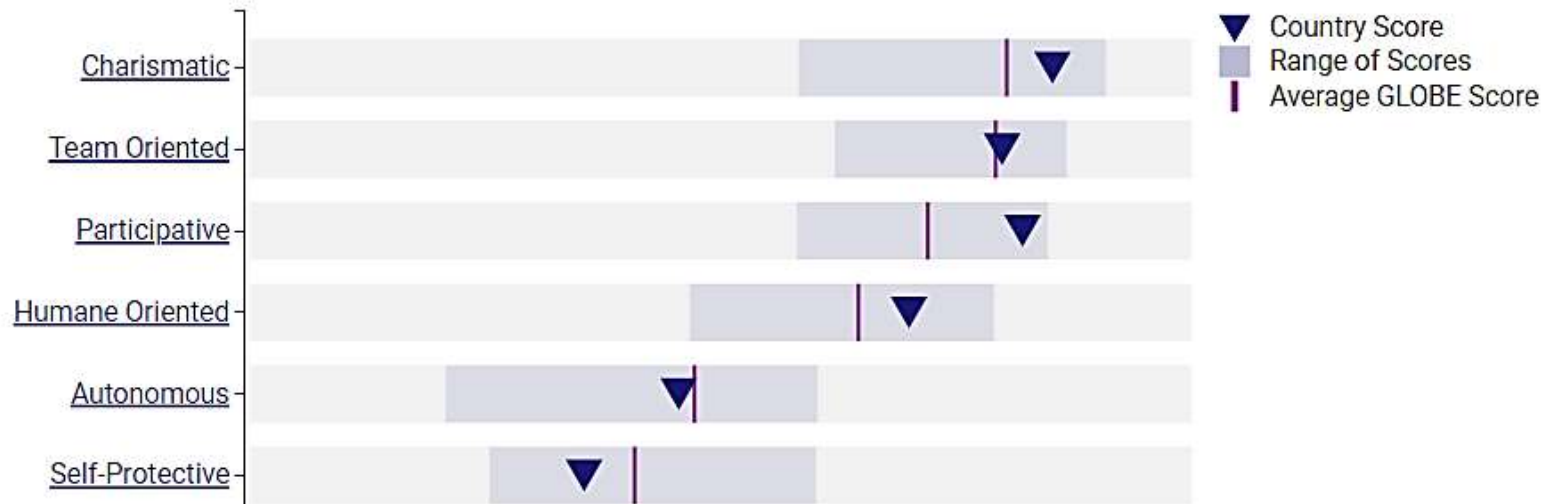
These nine dimensions were measured in the form of Societal **Practices** (as things are) and Societal **Values** (as things should be).
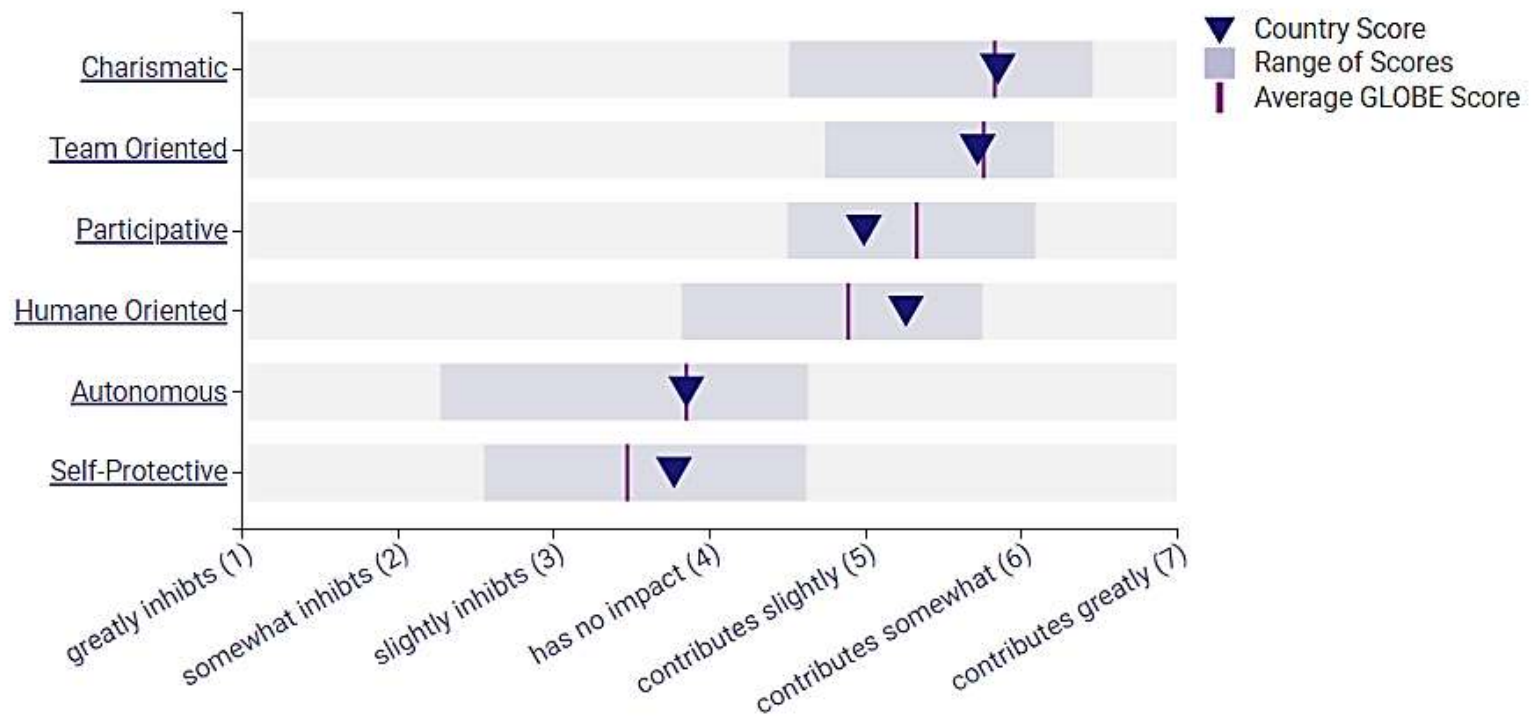

Cultural Practices and Values in USA
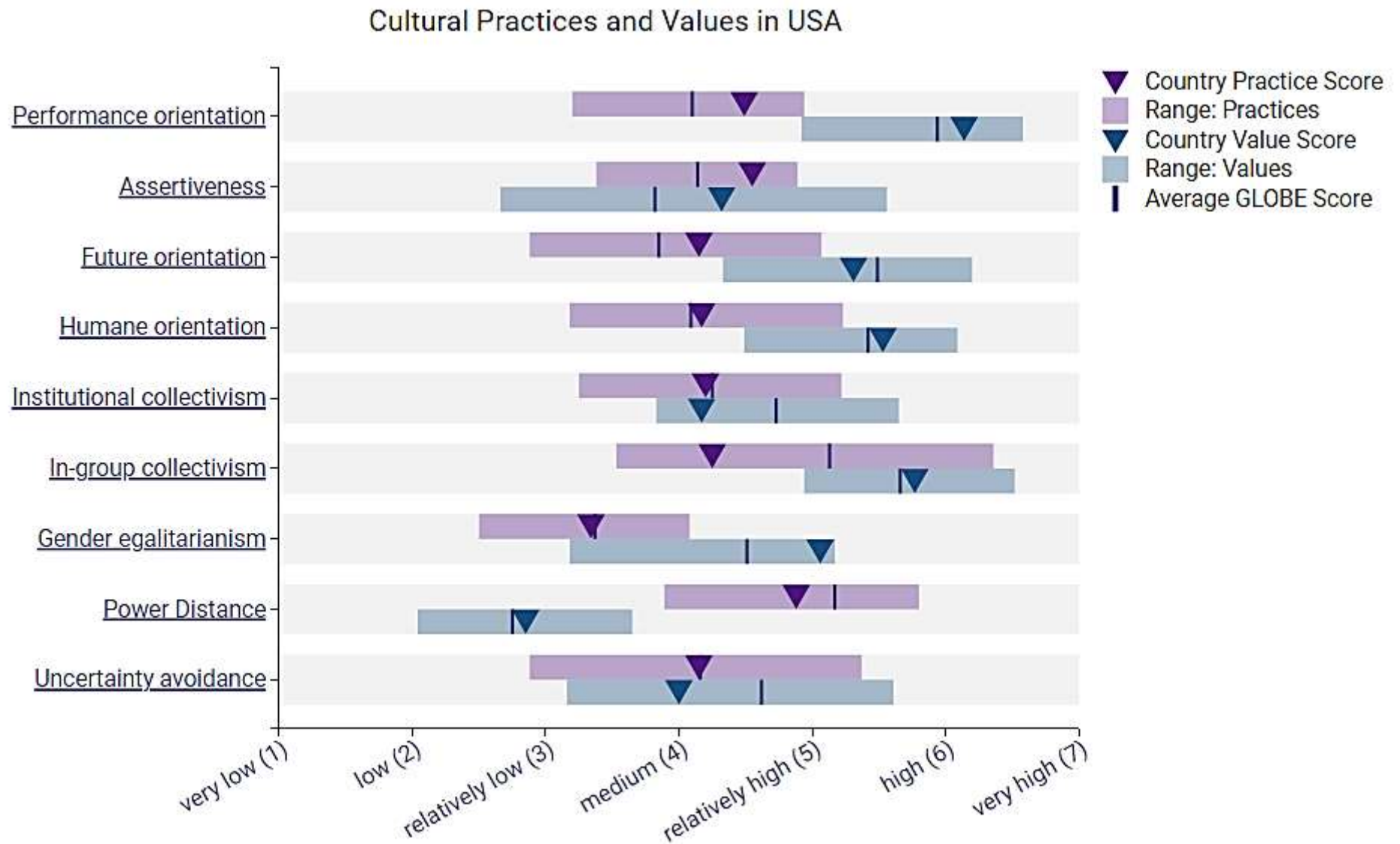
Cultural Practices and Values in India

Leadership Scores for Outstanding Leadership in USA

Leadership Scores for Outstanding Leadership in India

Country Score
Range of Scores
Average GLOBE Score

Charismatic
Team Oriented
Participative
Humane Oriented
Autonomous
Self-Protective

greatly inhibts (1)
somewhat inhibts (2)
slightly inhibts (3)
has no impact (4)
contributes slightly (5)
contributes somewhat (6)
contributes greatly (7)

| Positively-Regarded Traits and Behaviors across the World	
Trustworthy	Dependable
Intelligent	Just
Honest	Decisive
Plans ahead	Effective bargainer
Encouraging	Win-win problem solver
Positive	Skilled administrator
Dynamic	Communicator
Motivator	Informed
Confidence builder	Team builder

Negatively-Regarded Traits and Behaviors across the World	
Loner	Egocentric
Anti-social	Ruthless
Not cooperative	Dictatorial
Non-explicit	

Topic: Understanding and countering Country's Social & Culture risks is more critical to be successful in International Business than Country's Economical risks.
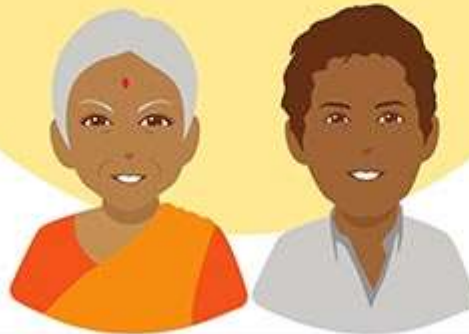
Culture Clusters – Southern Asia (Violet color)
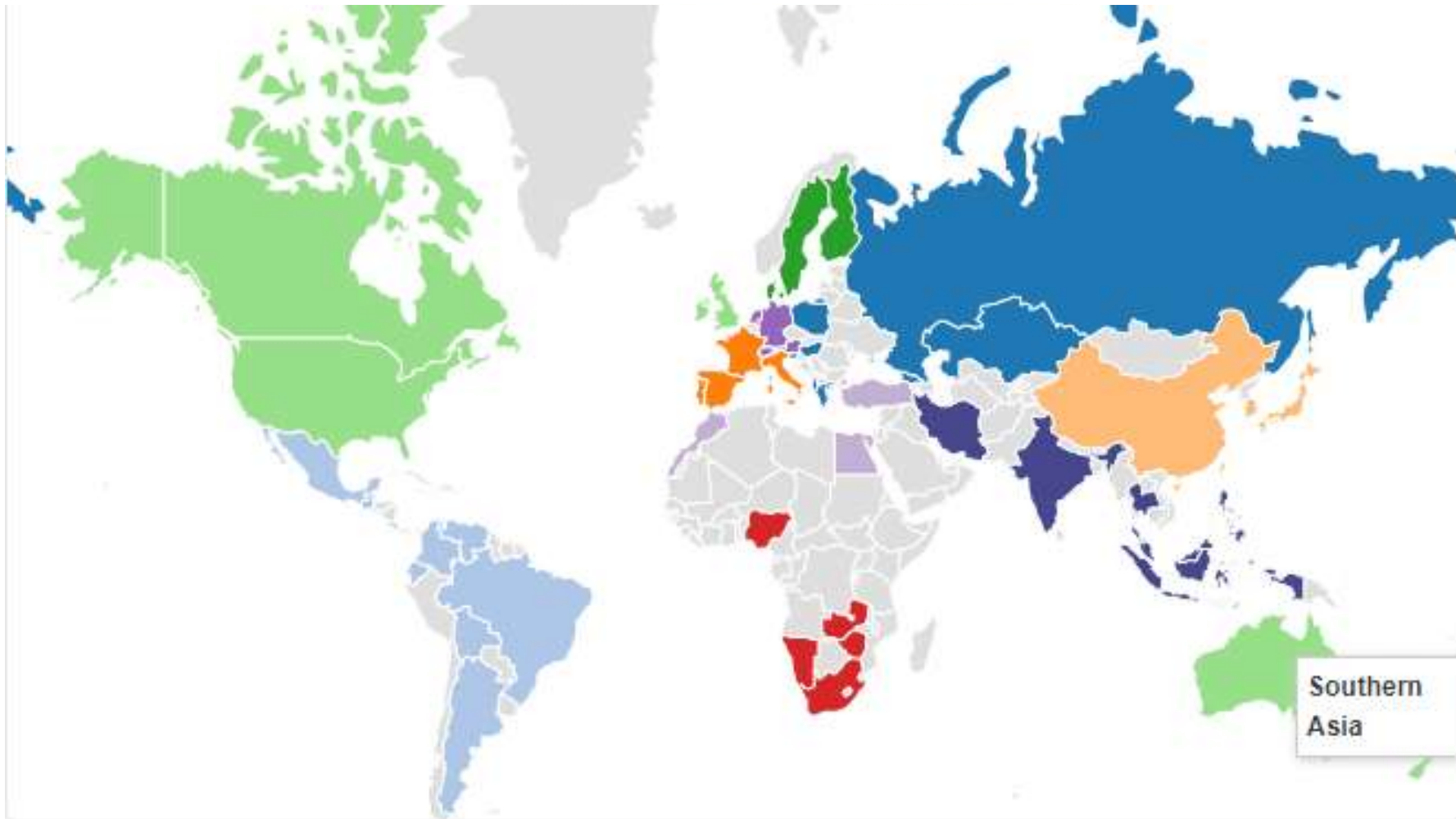
Southern Asia

HIGH-CONTEXT
cultures:
communication is mostly
indirect and implicit,
requiring a certain degree of
contextual knowledge to be
fully understood.
The use of non-verbal
communication (voice,
gestures, etc) is significant.

Since reliance on written
communication is (relatively)
low, knowledge of unwritten
rules, social codes and
rituals tends to be assumed.
Procedures are somewhat
flexible, decisions are based
on feelings and emotional
factors.

POLYCHRONIC
cultures are past-oriented,
they see time as a cyclical
concept, as a repetition of
natural cycles and patterns.
Punctuality is not a primary
concern, people tend to live for
the moment, plans can be altered
to fit a situation as it changes.

Life is unpredictable and
scheduling is not
fundamental. Previous
commitments will be
respected if possible.
Members of a
polychronic culture
manage
interruptions well and
tend to do many things
at once.

Culture Clusters: the Southern-Asia Cluster

BEING Cultures:
Relationship-oriented.
The needs to maintain the collective well-being and to respect tradition are prioritized over task outcomes.
Trust and affiliation are important.

Southern-Asian cultures tend to value cooperation, social harmony and group consensus. The development of supportive social relationships is considered a priority.

Culture Clusters: the Southern-Asia Cluster

COLLECTIVIST
Cultures:
The common good is more important than personal interest. The group takes care of individuals, individuals are loyal to the group.
Defining one's identity in terms of one's social role is typical of collectivist cultures.
Since selflessness and conformity are highly valued, individual achievements are often portrayed as a result of external circumstances rather than personal merit.

Culture Clusters: the Southern-Asia Cluster

SHAME Cultures:
Shame, a reaction to other people's criticism, is the main tool of social control in collectivist societies. Eastern cultures are usually shame-based, while Western cultures tend to be guilt-based.

"In true shame-oriented cultures, every person has a place and a duty in the society. One maintains self-respect, not by choosing what is good rather than what is evil, but by choosing what is expected of one. Personal desires are sunk in the collective expectation. Those who fail will often turn their aggression against themselves instead of using violence against others." (Paul Hiebert)

Culture Clusters: the Southern-Asia Cluster

GENDER EGALITARIANISM:
societies in the Southern-Asia cluster are mostly defined by low scores on Gender Egalitarianism.
This cluster is male-dominated, gender roles tend to be clearly defined, the family structure is "traditional" (fathers deal with facts, mothers deal with feelings) and hierarchical.

Gender Egalitarianism is the belief that people should receive equal treatment regardless of their gender. Note the similarity between Globe's Gender Egalitarianism and Hofstede's Masculinity/Femininity cultural dimension.

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HUMANE ORIENTATION:
societies in this cluster tend to reward and encourage kind, altruistic, generous, and caring behaviour.

With regard to humane orientation in the Southern-Asia context, it's worth mentioning that in Hinduism "Karma" - a belief common to Hinduism, Buddhism, Jainism and Sikhism, although with slight variations among the different religions - is the concept that explains causality: to every action corresponds an equal reaction, so that good deeds and intentions will result in positive effects, while bad deeds will result in unpleasant circumstances.

Culture Clusters: the Southern-Asia Cluster

UNCERTAINTY AVOIDANCE

India - Indonesia - Malaysia - Philippines

Iran - Thailand

Societies that score low in terms of Uncertainty Avoidance have a high tolerance to ambiguity and unpredictability, unstructured situations are not a source of anxiety, people tend to rely on informal rules and norms.

Societies that score high in terms of Uncertainty Avoidance rely on formal regulations, rules and laws to deal with uncertainty. Social interactions are formal and conservative, planning is important.

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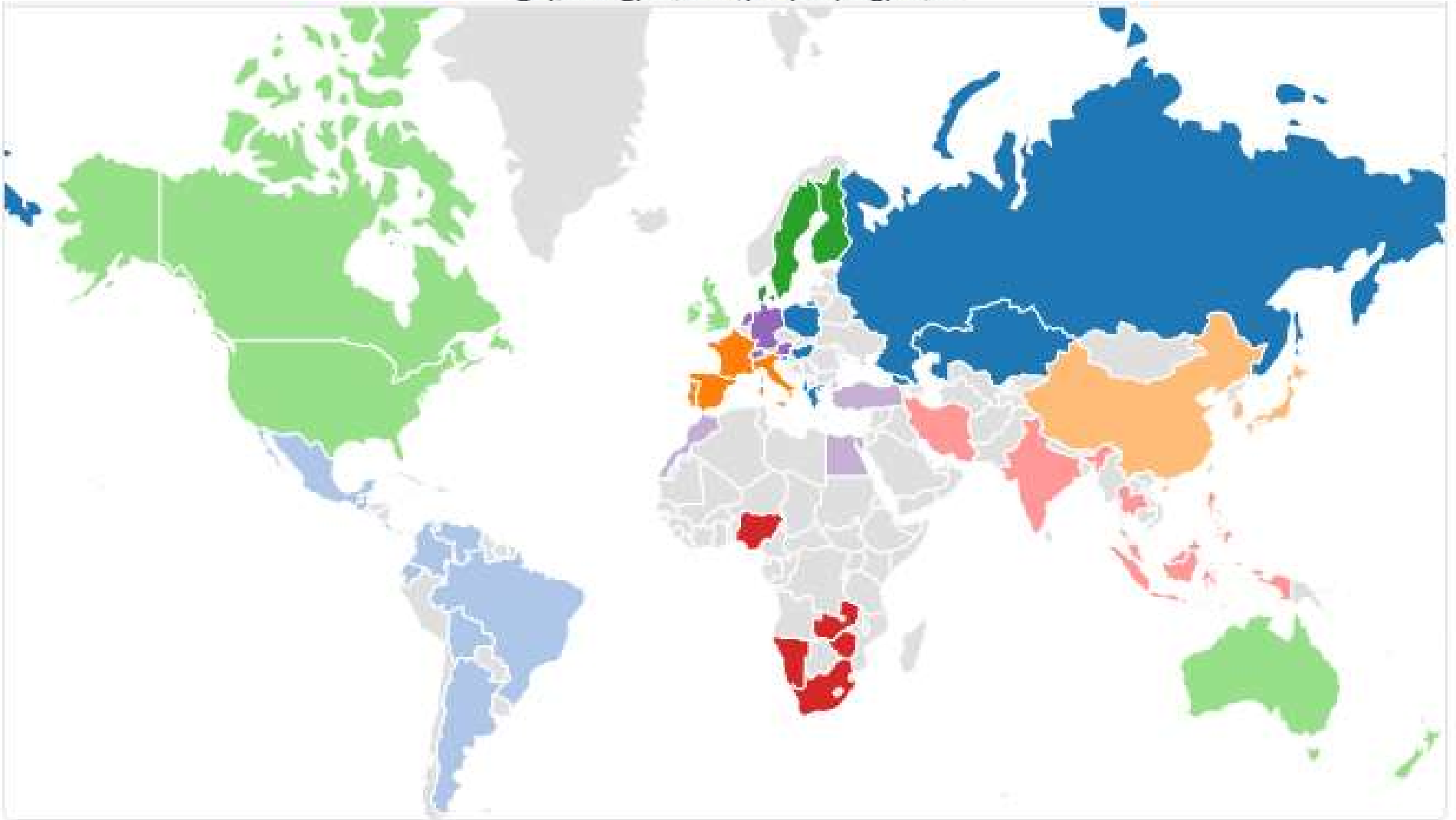# Culture Clusters: the Southern-Asia Cluster

POWER DISTANCE: cultures in the Southern-Asia cluster tend to score high on the Power Distance Index: highly hierarchical, these societies accept unequal power distribution.

Power is centralized, hierarchical structures are the norm: authority figures are expected to provide protection, guidance and stability, employees are expected to be loyal, and compliant (relationships are based on dependence). Preferential treatment is usually granted to insiders, who are expected to bring honour to the group they belong to. Authority is a concept often linked to both seniority and social status.

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Culture Clusters – Anglo (Light Green color)

LOW-CONTEXT cultures: communication is mostly verbal, direct, understandable by both in- and out-group members. Emphasis is placed on rules and procedures, decisions are made after evaluation of facts and data.

PURCHASE..

Since what is said is what is meant, written communication is common and relied on: contracts tend to be long and detailed, further interpretation and analysis of a message is not required.

MONOCHRONIC
cultures are future-oriented, they value orderliness, privacy, punctuality and have a low tolerance level for lateness and interruptions.
Time is linear (one event follows the other) and it's associated with efficiency and careful planning.

People tend to be methodical and to engage in one activity at the time. Task compartmentalization is the norm, schedules are important.
Task- and social-time don't often overlap.

Culture Clusters: the Anglo Cluster

DOING cultures are goal-oriented: activities are prioritized over relationship, people tend to keep busy. Completing a task is a way to show one's professionalism and to prove commitment to the team.

Anglo cultures value productivity, efficiency, high-performance and competitiveness. People strive to achieve goals, for social status is associated with from personal accomplishments. Rewards tend to be based on merit.

Culture Clusters: the Anglo Cluster

INDIVIDUALISTIC Cultures: Individual rights, freedom, personal achievements, self-fulfillment are the main priorities. Strength, independence, self-sufficiency, uniqueness are highly valued, people are expected to achieve goals on their own.

Happiness is associated with positive feelings, free choice, self-indulgence, and tends to be measured in terms of perceived success.

GUILT
cultures:
Guilt, as a self-conscious emotion, is the main tool of social control in individualistic societies. While shame is linked to honor and requires an audience, guilt is a private, internalized feeling concerned with one's conscience and sense of morality.

"True guilt cultures rely on an internalized conviction of sin as the enforcer of good behaviour, not, as shame cultures do, on external sanctions. Guilt cultures emphasize punishment and forgiveness as ways of restoring the moral order". (Paul Hiebert)

Culture Clusters: the Anglo Cluster

"MASCULINE" cultures (*) in the Anglo cluster are ego-driven, materialistic, they value assertiveness and they're traditionally male dominated. Societies in the Anglo cluster, however, strive to achieve greater gender equality and greater "humane orientation" (*).

(*) Humane Orientation indicates the extent to which a society emphasizes altruistic, caring behaviour.
Note the similarity between Globe's Humane Orientation and Hofstede's Masculinity/ Femininity cultural dimension.

Culture Clusters: the Anglo Cluster

UNCERTAINTY AVOIDANCE:
cultures in the Anglo cluster are rated in the mid-range with regard to this particular cultural dimension: they are fairly open to novelty and change, likely to be accepting of diversity, they value freedom of expression. Personal interactions are usually informal.

According to the Globe study, people from Anglo societies - who have a moderate tolerance to risk - express a wish for "less formalized rules, policies and procedures to reduce uncertainty in events."

Culture Clusters: the Anglo Cluster

POWER
DISTANCE:
cultures in the Anglo cluster
are rated in the mid-range with
regard to Power Distance: while
privilege and social inequality
are somewhat "tolerated"
(uniqueness implies that
everyone is unequal), these
societies express a wish for
greater social equality
and a fairer distribution
of resources.

Flat organizational
structures are the norm,
managers and employees
tend to cooperate, juniors
are encouraged to express
their views and to think
critically. Great emphasis is
placed on the importance of
equal rights and
opportunities.

"The crucial differences which distinguish human societies and human beings are not biological. They are cultural."

thank you!