Leading Across Cultures: Navigating Cross-Cultural Leadership Challenges in Indonesia

Nadia Zablah Humbert-Labeaumaz

Contents

Abstract

This case study examines how cultural differences between the United Kingdom, India, and Indonesia affect leadership effectiveness and talent development within a multinational organization. After ten years in the Indian branch, Raj, newly appointed as Managing Director of ABC's Indonesian subsidiary, faced difficulties promoting local managers due to low internal participation and motivation. Using frameworks from Hofstede, Erin Meyer, and Lewin, the paper identifies key cultural barriers — collectivism, high power distance, and low masculinity — that inhibit initiative, feedback, and managerial advancement. It contrasts these cultural barriers with the more individualistic, performance-oriented expectations of the British headquarters. Recommendations include adopting a nurturant-task leadership style aligned with collectivist contexts, improving work-life balance for senior managers, and introducing anonymous feedback mechanisms to maintain group harmony. The analysis highlights the importance of cultural intelligence and adaptation in developing effective, context-sensitive leadership practices across global teams.

Introduction

When Raj, a British national with ten years of experience in ABC's Indian branch, was promoted to Managing Director of the company's Indonesian subsidiary, he expected his leadership transition to be smooth. Within months, however, he encountered difficulties in promoting local managers internally. Few employees applied for senior positions, and those who did often withdrew before the interview stage.

This case explores the cross-cultural leadership challenges underlying Raj's leadership transition by comparing the national cultures of the United Kingdom, India, and Indonesia. Although geographically close, India and Indonesia differ profoundly in their cultural orientation, power structures, and motivational drivers. The paper analyzes how these differences affect managerial ambition, communication, and employee motivation. The objective is to identify the cultural forces that constrain leadership development in ABC's Indonesian branch and to evaluate how adaptive leadership practices could foster greater local participation and empowerment.

Findings and Analysis

Raj is adaptive and aware of his cultural biases, traits of an effective cross-cultural leader (Middleton, 2015), but he needs to improve his context-specific **cultural awareness**. Indeed, even though the UK and India are geographically distant, the two countries share important cultural, institutional, and administrative similarities — mainly due to their colonial past. In contrast, Indonesia is distant from both countries across multiple dimensions, despite its relative geographic proximity to India, as illustrated in the figure below (see Appendix 1 for details on the classification).
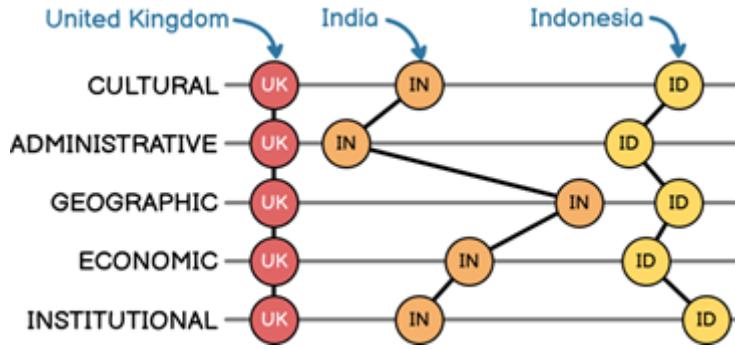

Figure 1: An overview of cultural, administrative, geographic, economic, and institutional distance between the UK, India and Indonesia.

A more detailed comparison of the three cultures (see Appendices 2 and 3) reveals significant dissimilarities between these countries, undermining the company's human resource revitalization effort.

The table below illustrates the impact of these cultural differences on Raj's behaviour.

Behaviour	Impact of culture
Assuming that working in India with European colleagues would have prepared him for Indonesia	As discussed above, India and the UK are closer than geography would suggest, whilst Indonesia operates under distinct social and organizational logics.
Expecting the transition towards a firm run by locals to be similar to the one that occurred in India	Indonesia is significantly more collectivistic than India, and individual career ambition is less openly expressed and culturally constrained. Moreover, Indonesia's "low masculinity" reflects a preference for **work-life balance** over status and hierarchical advancement.
Giving direct negative feedback and feeling positive about teaching something	Indonesia and India both have a high power distance. However, India's lower uncertainty avoidance and higher individualism orient conflict management toward a **'confrontation model'**. In contrast, Indonesian conflict management largely follows a **'harmony model'** (see Appendix 4).

Moreover, these same cultural differences also affected headquarters' expectations, as follows.

Expectation	Impact of culture
Participative leadership and a performance-oriented culture, where individuals are rewarded for their performance	The UK's low power distance and high individualism make this expectation appear natural at HQ. However, in Indonesia, employees prioritize **group performance** over individual visibility, expect managers to define direction, and perceive speaking up as personally risky for their future in the company.

Expectation	Impact of culture
Giving employees credit for their ideas is a relevant incentive to foster initiative	Indonesian employees do not respond positively to individual rewards. Outperforming peers' or superiors' ideas can be interpreted as a potential source of embarrassment and a threat to the group's **harmony**.
Competition from external candidates will motivate employees to fight for managerial positions	On the contrary, employees may prefer avoidance over competition. Promotion implies higher uncertainty, increased relational tension, and reduced **family** time. In a "low-masculinity" culture, material gain alone does not sufficiently compensate for these costs.

In this cross-cultural context, a set of **restraining and driving forces**, shown below, counterbalance one another, preventing Indonesian managers from actively supporting their own candidacy for open positions.

Figure 2: ABC's force field analysis of drivers and restraints affecting managerial applications (Spier, 1973)

6

Discussion

This case highlights how leadership effectiveness in multinational organizations depends not only on managerial competence but on the alignment between leadership style and local cultural values. Raj's struggles stemmed from misaligned underlying assumptions: his experience in India, shaped by a semi-hierarchical yet achievement-oriented culture, was insufficient preparation for Indonesia's deeply collectivist, high-context, and harmony-based environment.

From a Hofstede perspective, Indonesia's low individualism and masculinity suggest a preference for stability, group cohesion, and work–life balance over competition or personal advancement. As a result, promotions framed as individual achievements may inadvertently disrupt group harmony. In contrast, the UK headquarters, grounded in a low power-distance, high-individualism culture, emphasizes initiative and self-promotion; such expectations are incongruent with Indonesian norms of deference and collective responsibility.

These mismatches appear as counteracting forces: headquarters' expectations for meritocratic participation (driving forces) are offset by local cultural norms discouraging self-assertion and risk-taking (restraining forces). This resulting equilibrium helps explain the lack of internal candidates and the persistence of expatriate leadership.

Ultimately, the discussion demonstrates that Raj's challenge is not managerial incompetence but contextual and cultural misfit. Leadership practices successful in India or the UK cannot simply be transplanted into Indonesia; they must be locally reframed and culturally re-encoded to align with prevailing conceptions of authority, motivation, and success.

Recommendations

These recommendations aim to reduce the restraining forces identified above and progressively convert them into driving forces. This approach prioritizes long-lasting behavioural change over increasing external pressure.

Recommendation	Rationale	Responsibility
Fostering nurturant-task leadership (Sinha, 1979)	This proposition addresses **uncertainty avoidance**, **collectivism**, and **power distance** by leveraging the culture's '**application-first**' mindset. It includes setting clear goals within employees' direct sphere of control; explaining how these objectives contribute to collective outcomes; and gradually empowering individuals through guided mentoring rather than explicit delegation.	Raj and other managers
Enhancing work-life balance for senior managers	If advancement allowed local managers to increase, rather than reduce, time spent with family, a major restraining force would be eliminated. Also, incentives grounded in **intrinsic motivations** (motivators) are more likely to sustain commitment and performance over the long term (EPM, 2018).	Human resources, Headquarters
Asking for anonymous feedback/ideas	Anonymous participation enables employees and managers to maintain face and group harmony while still generating insights that benefit the organization as a whole.	Raj and other managers

Conclusion

Raj's experience at ABC underscores the importance of cultural intelligence in global leadership. His difficulty in promoting local managers stemmed from deep-seated cultural dynamics that shaped employee attitudes toward authority and ambition. Effective leadership in such contexts requires adaptation rather than the direct replication of foreign models.

By embracing nurturant-task leadership, reframing promotions as collective advancement, and introducing feedback mechanisms that preserve group harmony, Raj can bridge cultural expectations while empowering his team. This case reinforces a broader lesson for multinational organizations: successful global leadership depends on the ability to interpret, respect, and operate effectively within cultural differences.

Appendices

Appendix 1. CAGE Framework Analysis

	Cultural	Administrative	Geographic	Economic
India-UK	Both have an established class system-Different commonly spoken languages among the population-Different dominant religions	Common administrative language-Colonial ties (inherited administrative language, parliamentary government, rule of law, and bicameralism (Bhan & Rohatgi, 2020))Different currency	Fairly distant (over 6,000 km border-to-border)	Comparable aggregate GDP (USD 2.94 trillion for India, USD 2.83 trillion for UK)(Moneycontrol.com, 2020)Substantial disparity in GDP per capita
India-Indonesia	Different languagesDifferent dominant religionsPartial alignment on selected cultural dimensions (see Appendix 3)	Different currenciesIndia-ASEAN trade areaNo colonial ties	Fairly close (approximately 2,000 km border-to-border)	Significant difference in aggregate GDP (around USD 1 trillion for Indonesia)Comparable GDP per capita
UK-Indonesia	Different languagesDifferent dominant religionsStrong contrast across cultural dimensions (see Appendix 3)	Different currenciesNo colonial tiesNo trade agreement yet	Distant (approximately 10,000 km border-to-border)	Large disparities in both aggregate GDP and GDP per capita, as well as broader economic indicators

Appendix 2. Hofstede Comparison

Hofstede (Hofstede Insights, 2020) provides a framework for comparing countries across six **cultural** dimensions:

Power distance	*"The extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally."*
Individualism	*"The degree of interdependence a society maintains among its members."*
Masculinity	*"The fundamental issue here is what motivates people, wanting to be the best (Masculine) or liking what you do (Feminine)."*
Uncertainty avoidance	*"The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these."*
Long-term orientation	*"How every society has to maintain some links with its past while dealing with the challenges of the present and future."*
Indulgence	*"The extent to which people give in to their desires and impulses."*

The figure below depicts the cultural differences between the UK, India and Indonesia across these dimensions.

Figure 3: Comparison between India, Indonesia and the UK across Hofstede's dimensions. Source: hofstede-insights.com

Appendix 3. Culture Map

(Erin Meyer, 2020) complements the Hofstede comparison above by introducing seven additional, orthogonal cultural dimensions. The diagram below positions the UK, India and Indonesia relative to one another across these dimensions.

Figure 4: Culture map comparing India, Indonesia and the UK. Source: Erin Meyer (erinmeyer.com)

Appendix 4. Conflict Management Models (Kazan, 1997)

Model	Characteristics	Associated culture
Harmony	Avoid confrontation to protect group harmony, which discourages direct negative feedback and the overt expression of anger.	Collectivistic
Confrontation	Openly acknowledge conflict and resolve it through cooperation or confrontation.	Individualistic with low uncertainty avoidance
Regulative	Apply formal, universalistic rules to resolve conflict.	Individualistic with high uncertainty avoidance

References

Bhan, A., & Rohatgi, M. (2020, January 1). *Legal systems in India: overview.* Practical Law. https://uk.practicallaw.thomsonreuters.com/w-017-5278

EPM. (2018, April 24). *Herzberg's Motivation Theory - Two Factor Theory.* Expert Program Management. https://expertprogrammanagement.com/2018 /04/herzbergs-two-factor-theory/

Erin Meyer. (2020, August). *The Country Mapping Tool.* Erin Meyer. https: //www.erinmeyer.com/tools/culture-map-premium/

Ghemawat, P. (2001). Distance Still Matters. *Harvard Business Review*, 137-147.

Hofstede Insights. (2020, August). *Country comparison.* Hofstede Insights. https://www.hofstede-insights.com/country-comparison/india,indonesia,the-uk/

Kazan, K. (1997, April 1). *Culture and Conflict Management: A Theoretical Framework.* Emerald. https://www.emerald.com/insight/content/doi/10.110 8/eb022801/full/html

Middleton, J. (2015, February 20). *Cultural intelligence: the competitive edge for leaders.* In YouTube: https://www.youtube.com/watch?v=izeiRjUMau4

Moneycontrol.com. (2020, February 18). *India overtakes UK & France to become 5th largest world economy, says report.* Moneycontrol.com.https://ww w.moneycontrol.com/news/business/india-overtakes-uk-france-to-become-5th-largest-world-economy-says-report-4954051.html

Sinha, J. B. (1979, March). The Nurturant Task Leader. *ASCI Journal of Management, 8*(2), 109-119.

Spier, M. S. (1973). Kurt Lewin's "Force Field Analysis". *Annual Handbook For Group Facilitators*, pp. 111-113.