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

Nadia Zablah Humbert-Labeaumaz

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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 Managing Director of ABC's Indonesian subsidiary, faced difficulties promoting local managers due to low 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 ambition. It contrasts these with the more individualistic, performance-oriented expectations of the British headquarters. Recommendations include adopting a nurturant-task leadership style suited to collectivist contexts, improving work–life balance for senior managers, and introducing anonymous feedback mechanisms to preserve group harmony. The analysis highlights the importance of cultural intelligence and adaptation in developing effective, context-sensitive leadership strategies across global teams.

Introduction

When Raj, an 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. However, within months, he faced difficulties promoting local managers internally. Few employees applied for senior positions, and those who did often withdrew before interviews.

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

Findings and Analysis

Raj is adaptive and aware of his cultural bias, traits of an effective cross-cultural leader (Middleton, 2015), but he needs to improve his **cultural awareness**. Indeed, even though the UK and India are geographically distant, the two countries share cultural, institutional, and administrative similarities—mainly due to their colonial past. In contrast, Indonesia is extremely **far** from both these countries, despite its relatively low geographic distance with India - as illustrated by the figure below (see Appendix 1 for details about the classification).

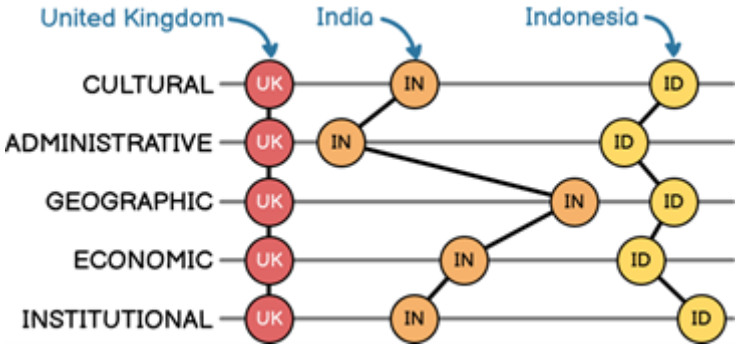

Figure 1: A holistic overview of the distance between the UK, India and Indonesia.

A more detailed overview of the three cultures (see Appendices 2 and 3) revealed significant dissimilarities between these countries, hindering the company's success in its human resources 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 the geography would suggest, whilst Indonesia is extremely different.
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 personal ambition is rare. Moreover, Indonesia's low masculinity reflects a preference for **work-life balance** over status and career 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 towards a '**confrontation model**'. In contrast, Indonesian conflict management mostly follows a '**harmony model**' (see Appendix 4).

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

Expectation	Impact of culture
Participative leadership and a performance-oriented culture, where individuals are rewarded for their performance	The UK has a low power-distance and highly individualistic culture. Hence, this expectation appears as natural for the HQ. However, this shift is highly unlikely to happen in Indonesia as employees focus on the **group's performance** rather than their own; expect managers to know what is best for the team; and fear that speaking up would jeopardize 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 to **individual** rewards and think they might **embarrass** their colleagues and managers if their ideas prove to be better, thus breaking the group's **harmony**.
Competition from external candidates will motivate employees to fight for managerial positions	On the contrary, employees will be happy to let someone else take the job. Indeed, a promotion implies higher **risk** and potential **tension** as well as less time with **family**. Due to the culture's low masculinity, material gain is not a relevant incentive to counterbalance this situation.

In this cross-cultural context, a set of **restraining and driving forces**, shown below, are counterbalancing each other, preventing the Indonesian managers from strongly supporting their candidacy for the open positions.

Figure 2: ABC's force field analysis (Spier, 1973)

Discussion

This case highlights how leadership effectiveness in multinational organizations depends not only on managerial competence but on cultural alignment between leadership style and local values. Raj's struggles stemmed from misaligned assumptions: his experience in India, shaped by a semi-hierarchical yet achievement-oriented culture, did not prepare him 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, expectations that clash with Indonesian norms of deference and collective responsibility.

Through Lewin's Force Field Analysis, 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 equilibrium explains the lack of internal candidates and the persistence of expatriate leadership.

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

Recommendations

These recommendations aim to reduce the restraining forces above and convert them into driving forces. This approach ensures long-lasting results, as opposed to merely 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 the employees' control; explaining how these objectives would benefit the whole group; and gradually empowering people through mentoring.	Raj and other managers
Enhancing work-life balance for senior managers	If locals could spend more time with their family by climbing the corporate ladder, it would annihilate a powerful restraining force. Also, incentives based on **intrinsic motivations** (motivators) would ensure employees' commitment and performance in the long run (EPM, 2018).	Human resources, Headquarters
Asking for anonymous feedback/ideas	Anonymous participation would let all employees and managers 'save face' and preserve the group harmony while providing benefits to the whole organization.	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 replication of foreign models.

By embracing nurturant-task leadership, reframing promotions as collective advancement, and introducing feedback mechanisms that protect 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 work within cultural difference.

Appendices

Appendix 1. CAGE Framework Analysis

	Cultural	Administrative	Geographic	Economic
India-UK	Common administrative language-Both have a firmly established class systemDifferent commonly spoken languages among peopleDifferent religion	Colonial ties (inherited administrative language, parliamentary government, the rule of law and bicameralism (Bhan & Rohatgi, 2020))Different currency	Fairly distant (more than 6,000 km border-to-border)	Close GDP ($2,94 trillion for India, $2,83 trillion for UK)(Moneycontrol.com, 2020)Massive difference in GDP per capita
India-Indonesia	Different languagesDifferent religions-Some similarities in the culture map (see Appendix 3)	Different currenciesIndia-ASEAN trade areaNo colonial ties	Fairly close (2,000 km border-to-border)	Differences in GDP ($1 trillion for Indonesia)Similar GDP per capita
UK-Indonesia	Different languagesDifferent religionsOpposite culture map (see Appendix 3)	Different currenciesNo colonial tiesNo trade agreement yet	Distant (10,000 km border-to-border)	Massive differences in GDP and GDP per capita, as well as other economic indicators

Appendix 2. Hofstede Comparison

Hofstede (Hofstede Insights, 2020) provides a tool to compare countries using the six following **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.

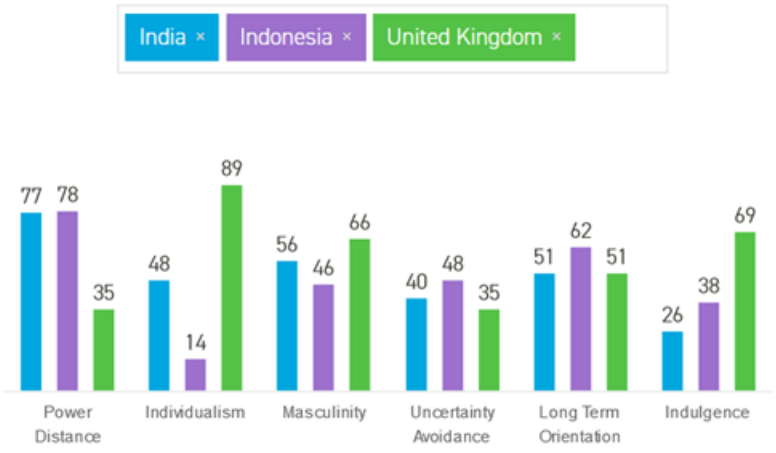

Figure 3: Comparison between India, Indonesia and the UK across Hofstede's dimensions. Source: hofstede-insights.com

Appendix 3. Culture Map

(Erin Meyer, 2020) complements the Hofstede comparison above, using seven other orthogonal cultural dimensions. The diagram below evaluates the UK, India and Indonesia across these dimensions.

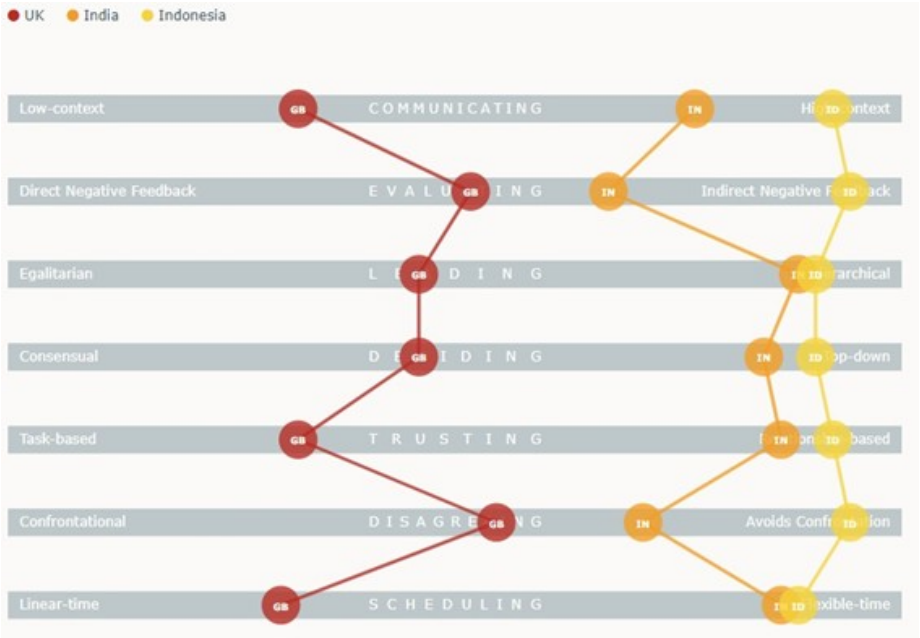

Figure 4: Culture map of India, Indonesia and the UK. Source: erinmeyer.com

Appendix 4. Conflict Management Models (Kazan, 1997)

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

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