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**A CULTURAL ANALYSIS OF THE  
EFFECTIVENESS OF TRANSFORMATIONAL  
LEADERSHIP**

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## **ABSTRACT**

This research examines the cultural boundaries of the effectiveness of transformational leadership. We develop the logic for why the cultural value of traditionality emphasizing hierarchy in relationships may moderate the relationship between various dimensions of transformational leadership and leadership effectiveness. To ensure variability on cultural values, the hypotheses are examined on leaders from two different cultural contexts – one Asian and one North American. The results indicate some support for the moderating effect of traditionality on the relationship between four dimensions of transformational leadership (appropriate role model intellectual stimulation, high performance expectations, and articulating a vision) on leadership effectiveness.

Key words: Transformational leadership, culture

## **A Cultural Analysis of the Effectiveness of Transformational Leadership**

Transformational leadership has gained popular and academic attention over the last 20 years as a new paradigm for understanding leadership in contemporary organizations.

Transformational leaders elevate the motivation of followers to go beyond their self-interests for the good of the group or organizations. They define the need for change, develop a vision for the future, and mobilize follower commitment to achieve results beyond what would normally be expected. Transformational leadership is argued to be critical in today's fast paced business environment because it is focused on bringing change to a system. In well over 100 studies, empirical research has found transformational leadership to be consistently related to organizational and leadership effectiveness (Bryman, 1992; Lowe, Kroeck, & Sivasubramaniam, 1996). These results hold in a wide range of samples and contexts from Fortune 100 business organizations, to military units, to presidential administrations. Until recently, however, little research has examined the effectiveness of transformational leadership beyond a North American context.

We believe it is critically important to understand the extent to which the effectiveness of transformational leadership holds in other cultures. What, for example, if a high potential transformational leader is put in charge of a transnational team only to find that some members of the team are demotivated or even offended by transformational leadership? The potential for cross-cultural complications can only be expected to increase as today's organizations fight for survival in a competitive, global business environment. Most large companies have an increasing percentage of sales and profits outside of their home country (Adler, 1991). Moreover, the workforce is becoming more culturally diverse with more mergers/acquisitions, joint ventures, and buyer-supplier relationships crossing national boundaries (Bartlett & Ghoshal,

1991). Given the increased globalization of today's business environment, a better understanding of how culture influences leadership effectiveness becomes essential. Thus, our purpose is to better understand this issue – the effectiveness of transformational leadership across cultures.

## **Background**

The notion of transformational leadership was developed by Western scholars under the tutelage of Bernard Bass (1997), and most research on the topic has been conducted in a North American context. In a recent meta-analysis on transformational leadership, Lowe and colleagues (1996) reported that, in addition to several non-published pieces, only three studies in New Zealand and one Canadian study had been published on transformational leadership. Bass suggested the possibility of the universality of leadership in a 1997 American Psychologist article (Bass, 1997). More recently, the GLOBE research program (a network of 170 social scientists in 61 cultures around the world led by Robert House, 1999) has made significant progress in understanding the influence of culture on leadership, and we discuss contributions of this project in detail below. But first, we look to the larger literature on leadership. It suggests two potentially rival perspectives on the effect of culture on leadership (Dorfman, 1996): one universal and one culturally specific.

**The universal perspective.** On the one hand, leadership itself is considered a universal phenomenon – no society has been found without some kind of leadership (Murdock, 1967 as cited in Bass, 1997). Some proponents of transformational theories come close to adopting a universal position regarding the cross-cultural transferability of transformational leadership (Bass, 1997). This kind of culture-free or universal (etic) approach assumes that core leadership processes should be similar or invariant across cultures. Here universal does not imply

constancy of means, variances, and correlations across cultures but rather that the construct is sufficiently broad to provide a basis for measurement and understanding across cultures (Bass, 1997). According to Bass (1991), leaders who engage in more transformational behavior will be more effective than those who engage in less transformational behavior, regardless of culture. He suggests that developing a vision of the future and motivating followers to work hard to achieve exceptional performance should be part of a formula for excellence in any culture and refers to research supporting the generalizability of transformational leadership in New Zealand, India, Japan, and Singapore (Bass, 1997).

The GLOBE research program (Hartog et al., 1999) provides some important empirical evidence for the universal perspective. They found that some leadership characteristics appear to be universally endorsed across the 61 cultures in their study (i.e., they have a consistently high score across all the cultures). These include some dimensions which are relevant to charismatic, inspirational, and visionary leadership: “encouraging,” “positive,” “motivational,” “confidence builder,” “dynamic,” “excellence-oriented” and “foresight.” In addition, other leadership characteristics found to be universally endorsed include “trustworthy,” “just,” “honest,” “team-oriented,” “decisive,” “intelligent,” and “problem solving.”

**The Culture-Specific Perspective.** On the other hand, others argue that transformational leadership should be more applicable to the Western culture in which it was developed. Hofstede (1980) argues that many leadership theories developed in North American culture may not apply in different cultural settings because they are conceptually bounded within American culture. This is often called the emic perspective on culture – to understand leadership, the emic perspective suggests that we must consider the cultural contingencies or the set of leader behaviors that are unique to a culture. For example, Jung, Bass and Sosik (1995)

suggest that transformational leadership may emerge more readily in the collectivistic societies than in the more individualist North America. Indeed, Pillai, Scandura, and Williams (1997) did not find that transformational leaders are related to more satisfied followers in Colombia, the Middle East, or India, contrary to a large body of empirical research in more Western contexts. Different leadership behaviors are likely to be important to followers in these cultures.

Dorfman and Howell (1997) found that there are commonalities and differences in effective leadership in Western and Asian countries. The results of their study in two Western and three Asian countries support Bass's (1990) contentions regarding the validity of both the "universal" and the "cultural specific" perspectives of six leadership behaviors. Three behaviors (leader supportiveness, contingent reward, and charisma) showed universal positive impacts in all five countries; and three leader behaviors (participativeness, directiveness, and contingent punishment) had positive impacts in only the Western countries.

Den Hartog et al. (1999) argue that a deeper understanding of the cultural boundaries of transformational leadership can only come from studying the effect of cultural values. All of the research cited above looks at leadership differences across a person's country of origin rather than across cultural values. Culture is defined as a set of values that define the social identity of a group. Recent developments in cross-cultural research have advocated measuring culture not by an individual's country of origin but rather by the specific cultural values a person holds (Lytle, Brett, Barness, Tinsley, & Janssens, 1995). Using country of origin is an imperfect measure of culture as many different cultural norms and values can co-exist within a country (Lytle et al., 1995). The United States is a *mélange* of different cultures. South Africa has both white and black cultures. What was formerly East Germany has different cultural norms from what was formerly West Germany. Moreover, just because a person was born in a specific

country or lives in a specific country does not mean that they hold a set of cultural values specific to that country. By assessing cultural values, we will not only be able to identify where there may be differences across countries, but more importantly, we will be able to open the black box to understand WHY those differences may be occurring. Ultimately it is specific cultural values that are likely to explain any differential effectiveness of transformational leadership.

However, with the exception of recent conceptual work by Jung, Bass and Sosik (1995), cross-cultural research on transformational leadership has not focused on the specific cultural values that may underlie any national differences. Instead, the limited research conducted on transformational leadership outside of North America has examined whether the construct of transformational leadership is meaningful in other countries (e.g. Den Hartog, House, Hanges, & Ruiz-Quintanilla, 1999; Dorfman & Howell, 1997). These studies have used nationality as a proxy for cultural differences. Though such research may be interesting, it doesn't help us understand WHY any differences may exist, if they do exist. Thus, we follow this emerging paradigm of measuring culture through the cultural values.

In the sections below, we first define our constructs of interest before moving into the logic underlying our specific hypotheses on the role of cultural values.

## **Theoretical Development**

### **Transformational Leadership**

Followers of transformational leaders feel trust and respect toward the leader and are motivated to do more than they are expected to do. Transformational leaders articulate a vision of the future of the organization, provide a model that is consistent with that vision, foster the

acceptance of group goals, and provide individualized support (Podsakoff, MacKenzie, & Bommer, 1996). In this way, transformational leaders change the basic values, beliefs, and attitudes of followers so that they are willing to perform beyond the minimum levels specified by the organization.

We use Podsakoff, MacKenzie, Moorman and Fetter's (1990) conceptualization of transformational leadership because it is behaviorally oriented, well validated, and has been validated in both U.S. and Chinese cultures (Chen & Farh, 1999). Their measure identifies six behaviorally-oriented dimensions of transformational leadership: articulating a vision, providing an appropriate model, fostering the acceptance of group goals, setting high performance expectations, providing individualized support (i.e., giving personal attention and treating individuals according to their needs), and offering intellectual stimulation (i.e., thinking about old problems in new ways).

### **Cultural Values**

As described later in our research design, we compare cultural values of U.S. to Taiwanese leaders. We choose Taiwanese leadership as our basis for comparison for several reasons. According to Hofstede's (1980) research, some of the largest cultural differences occur between U.S. and Asian countries, particularly those Asian countries grounded in Confucian ideology. Moreover, some of the most important economic development in the world right now is occurring in Asian countries with a high proportion of business people of Chinese origin such as Taiwan, creating increasing interaction with U.S. companies in the global business market. Moreover, scales for transformational leadership (Chen & Farh, 1999) and cultural values (Farh, Earley, & Lin, 1997) have been cross-validated in US and Taiwanese contexts.



Taiwan is a particularly interesting point of comparison because it has experienced tremendous economic growth in the past two decades. Though fairly modern in many respects, Taiwanese culture is based on the traditional values of Confucian ideology. Confucian-based values emphasize a strong respect for hierarchy whether in work or family, preserving interpersonal harmony, and exhibiting personal modesty. In Confucian-based societies, leadership emphasizes paternalism and benevolence (Farh & Cheng, 1999).

Recently Farh et al. (1997) have developed a construct to explicitly capture these sorts of values based on Confucian ideology, aptly named traditionality. This construct focuses on expressive ties among people manifested in values such as respect for authority, filial piety, male-domination, and a general sense of powerlessness. The core values underlying traditionality are consistent with five fundamental relationships of Confucianism: emperor over subject, father over son, husband over wife, elder brother over younger, older friend over younger friend. For each of these relationships, role prescriptions specify what should and should not be done by the submissive partner in the relationships. Leaders with traditional values believe that relationships should be hierarchically maintained and that harmony is highly valued. Leaders with traditional values believe that conflicts with authority should be prevented even at the expense of less productive performance. Given the focus on hierarchical relationships, this cultural dimension is related to Hofstede's (1980) notion of power distance. Those high in traditionality assume the existence of a high level of power distance. As an old Chinese proverb explains: "Juniors and seniors have their ranking" (Bond, 1991: 36).

This particular cultural dimension is particularly relevant for our study for several reasons. First, traditionality focuses on issues of hierarchy and relationships, making it relevant to our study and understanding of leadership. Leadership is all about hierarchical relationships between

the leader and the follower. Second, the dimension of traditionality is relevant for our study because it was developed in a Chinese context and Taiwanese leaders are our cultural group of comparison. And third, the cultural dimension of traditionality has a measure that has been well-validated in prior research (Farh et al., 1997).

### **Why Cultural Values Might Matter for Transformational Leadership**

Cultural groups are likely to vary in their conceptions of the most important characteristics of effective leadership. According to Den Hartog, et al. (1999: 225)

“... different leadership prototypes would be expect to occur naturally in societies that have differing cultural profiles ... In some cultures, one might need to take a strong decisive action in order to be seen as [an effective] leader, whereas in other cultures consultation and a democratic approach may be a prerequisite. And, following from such different conceptions, the evaluation and meaning of many leader behaviors and characteristics may also strongly vary in different cultures. For instance, in a culture that endorses an authoritarian style, leader sensitivity might be interpreted as weak, whereas in cultures endorsing a more nurturing style, the same sensitivity is likely to prove essential for effective leadership.”

Hunt, Boal and Sorenson (1990) concur in their model suggesting that culture has an important influence on the development of prototypic leadership ideals. Furthermore, Gerstner and Day's (1994) research compared prototypical leaders in different countries and found that different countries seem to have different prototypes of business leaders. The effectiveness of a leader is thus inferred through the lens of cultural values the evaluator is seeped in. Attributes that are seen as prototypical of effective leadership are thus likely to vary across cultures, according to these and other studies representing the cultural-specific perspective. In the section below, we offer hypotheses consistent with a cultural-specific approach. The specific logic for

why traditional cultural values might matter in the evaluation of transformational leadership is developed below.

### **Hypotheses Development**

While prior research has indicated that the very notion of transformational leadership exists and is meaningful across a wide range of different cultures (e.g. Den Hartog, House, Hanges, & Ruiz-Quintanilla, 1999; Dorfman & Howell, 1997), some recent conceptual work suggests that there may be some cultural differences in how transformational leadership behaviors are perceived and evaluated (e.g., Jung, Bass, & Sosik, 1995). In other words, though the kinds of behaviors underlying transformational leadership exist across different cultures, the extent to which those behaviors are valued and viewed as effective may vary across cultures. In this section, we provide some logic for understanding the moderating role of cultural values in assessing the effectiveness of transformational leadership. We suggest that the cultural values will moderate the relationship between the six dimensions of transformational leadership and leader effectiveness.

We develop specific hypotheses articulating expected differences in the effectiveness of transformational leadership depending on the cultural values of the person evaluating the leader's effectiveness. In most organizational contexts, the person most relevant for evaluating the effectiveness of the leader is the leader's boss. The leader's boss is the person most likely to rate their performance in a formal appraisal process and is less subject to bias than a self-rating. So, our general research question is: *to what extent will the cultural values of a leader's boss moderate the extent to which the leader's boss evaluates as effective any transformational behaviors exhibited by the leader*. See Figure 1 for a visual representation of this research question.

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Insert Figure 1 about here

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**Individualized support.** Individualized support has to do with the leader being concerned about subordinates' personal needs and feelings. We expect that a boss with more traditional values will evaluate a leader who provides individualized support to followers as more effective. In traditional societies, a leader is expected to take care of the needs of subordinates, even their personal and familial needs (Farh & Cheng, 1999). In fact, personalism and interpersonal relationships are considered to be trademarks of effective leadership in traditional cultures (Farh & Cheng, 1999). In a culture with traditional values, the leader is supposed to treat employees as though they are members of the family, assisting in personal crises, and showing holistic concern for their needs (see Farh & Cheng, 2000) – even to the point of visiting an employee's sick family member in the hospital or attending a family member's funeral. In exchange for this kind of individualized support, subordinates in traditional cultures are supposed to respond with unconditional loyalty and respect for the leader. Leaders in societies high in traditionality receive high respect, trust, and loyalty from their subordinates, and in return, they make an extra effort to make sure that they understand their followers' needs and feelings. Thus, we hypothesize that individualized support will be important to bosses with traditional values when they are assessing leadership effectiveness.

Hypothesis 1: Traditionality will moderate the relationship between the individualized support dimension of transformational leader behavior and leadership effectiveness. For bosses who hold more traditional values, the relationship between individualized support and their assessments of leadership effectiveness will be stronger than for those bosses who hold less traditional values.

**Providing an Appropriate Role Model.** This dimension of transformational leadership has to do with leading by example – leading by doing, not just telling. At first glance, it may seem that societies with traditional values would emphasize that a leader must serve as a role model for subordinates. But the high power distance inherent in traditional societies indicates that there should be some distance between leaders and followers, reducing the need for the leader to role model expected behaviors. Thus, we expect that bosses with traditional values will place less importance on providing an appropriate model when evaluating leadership effectiveness. Recent research on leadership in traditional societies suggests that the leader is seen as omnipotent, demanding obedience and respect from followers regardless of the leader’s actions (Farh & Cheng, 1999). In traditional cultures, it would be seen as reasonable and appropriate for a leader to act in authoritarian ways – forcing action as the leader sees fit. Such a leader may keep information secret, emphasize top down communication and even belittle subordinates, all behaviors that the leader would not necessarily want subordinates to model, but that may be perfectly appropriate for the leader to exhibit. The cliché “Do as I say, not as I do” does not seem so far fetched when the leader is expected to be “strong, directive”, or “authoritarian.” In traditional cultures, the leader would want to maintain their differential status rather than having followers model their behaviors. Thus, we hypothesize that bosses with more traditional values will view providing an appropriate role model to be less important for leadership effectiveness than bosses with less traditional values.

Hypothesis 2: Traditionality will moderate the relationship between the appropriate model dimension of transformational leader behavior and leadership effectiveness. For bosses who hold more traditional values, the relationship between being an appropriate model and their assessments of leadership effectiveness will be weaker than for those bosses with less traditional values.

**Fostering the Acceptance of Group Goals.** This dimension focuses on fostering collaboration among group members, encouraging them to be team players working toward the group's goal. We expect that fostering the acceptance of group goals will be particularly important when bosses with traditional values are evaluating leadership effectiveness. Societies with traditional values tend to be more collectivistic in nature – emphasizing the importance of the group rather than self-interest. In traditional cultures, people have a strong identification with those in their in-groups and possible ostracization of those in their out-groups. Fostering group goals is likely to promote collaboration, cooperation, and harmony among group members. Those in traditional societies have less individualistic viewpoints and thus may have an easier time focusing on group-level goals rather than individual goals. In contrast, those in less traditional cultures are more likely to act according to their own interests rather than for the interests of the collective. Thus, we hypothesize that fostering group goals will be more important for leadership effectiveness as assessed by those with traditional values.

Hypothesis 3: Traditionality will moderate the relationship between fostering group goals and leadership effectiveness. For bosses who hold more traditional values, the relationship between fostering group goals and their assessment of leadership effectiveness will be stronger than for those bosses with less traditional values.

**Articulating a Vision.** This dimension of transformational leadership has to do with creating and building commitment for an interesting vision of the future for the unit, department, or organization. Vision implies forward-looking drive and the need for achievement. Traditional values are focused on harmony and preserving the status quo. Thus, we expect that bosses with more traditional values are going to place less importance on vision in assessing leadership effectiveness. Those with more traditional values are likely to be less open and supportive of a leader who articulates a new and perhaps even radical vision for an organization.

Those with traditional values would not necessarily expect a leader to put his/her mark on the organization with a personal vision of the future (rather than maintaining someone else's vision or maintaining the status quo). In fact, the most dominant form of ownership in Chinese businesses is the family business, a type of business that tends to be fairly stable with little focus on a vision of the future (Redding, 1991).

The kind of person who can generate and sell a vision of transformation tends to be rather assertive and future looking. This is contrary to the cultural values of modesty and harmony that are more prevalent in traditional cultures. Moreover, the emphasis in traditional cultures is on the preservation of the status quo. Vision implies change. People with traditional values are less likely to be open to a new vision or to a leader developing his/her own direction for the organization. Thus, bosses with more traditional values are not likely to see the articulation of a vision as particularly important for leadership effectiveness.

Hypothesis 4: Traditionality will moderate the relationship between articulating a vision and leadership effectiveness. For bosses who hold more traditional values, the relationship between articulating a vision and their assessments of leadership effectiveness will be weaker than for those bosses holding less traditional values.

**Creating High Performance Expectations.** This dimension of transformational leadership has to do with expecting a high level of achievement from followers, insisting on their best performance. We do not expect that creating high performance expectations will be particularly important for leadership effectiveness in traditional cultures. For cultures strong in traditional values, self-reliance and a high drive to achieve are not as important as maintaining the status quo and establishing proper relationships. Harmony in relationships may override an emphasis on performance. In traditional societies, control and influence are achieved through conformity, nepotism, and obligative networks (guanxi), not through performance contingent on

rewards and punishment (Redding & Wong, 1986). Judgment of a person's worth is based on loyalty rather than ability or performance against objective criteria (Chen, 1995). Therefore, more traditional bosses may see less of a link between high performance expectations and effectiveness than less traditional bosses. High performance expectations may create implied competition, which would work against the harmony valued in traditional societies.

Hypothesis 5: Traditionality will moderate the relationship between the high performance expectation of transformational leader behavior and leadership effectiveness. For bosses who hold more traditional values, the relationship between setting high performance expectations and their assessments of leadership effectiveness will be weaker than for those bosses with less traditional values.

**Intellectual Stimulation.** This dimension of transformational leadership has to do with getting followers to rethink about old problems in new ways, to get people thinking in new and creative ways. We do not expect that intellectual stimulation will be part of leadership effectiveness in traditional cultures. Transformational leaders delegate responsibility and authority to followers so that they empower followers to accomplish organizational goals in a relatively autonomous manner. The status quo is questioned, and new innovative methods for developing the organization and accomplishing its mission are explored (Bass, 1985; Bass & Avolio, 1990). Risk-taking behaviors and autonomy are trademarks for people who value individuality, egalitarianism, and open-mindedness. Those with less traditional values are likely to be more open to the intellectual stimulation of a transformational leader. That openness ensures that they see new ways of thinking as something that contributes to leadership effectiveness. In fact, they may see the leader's role as instigating and stimulating new ideas. Anyone can do the same thing better, but for those with less traditional values, the leader is the one who envisions and stimulates new directions. Those with more traditional values are likely to be less open to the new ways of thinking and doing and thus will view intellectual stimulation



as less related to effectiveness. Since the distance between leaders and followers in traditional societies is quite large, followers expect to be told what to do and to expect orders. Therefore, advocating intellectual stimulation may create discomfort for followers who hold traditional values and may want to be told what to do. In addition, advocating intellectual stimulation and innovation may create discomfort for traditional bosses who might see this as a challenge to their authority.

Hypothesis 6: Traditionality will moderate the relationship between intellectual stimulation and leadership effectiveness. For bosses who hold more traditional values, the relationship between intellectual stimulation and their assessments of leadership effectiveness will be weaker than for those bosses with less traditional values.

## **Method**

### **Samples**

The study involved two samples of managers. It was important to use managers so we could access the viewpoints of both their subordinates and bosses. The hypotheses on the effect of cultural values on the relationship between transformational leadership behavior and leadership effectiveness were tested using a data set combining both samples.

The first sample comprised 115 managers in a leading global computer company based in Asia with operations throughout Asia, Europe, and North America. These managers were directors of divisions or functional units with an average age of 40.5 years (s.d.=5.49), an average year of education after high school of 5.08 years (s.d.=2.46), and an average organizational tenure of 5.89 years (s.d.=4.40). Women constituted 8.2% of the group. More than 90% of participants in this sample were Asian by ethnicity and were working in Asia at the time of the survey. Because this sample came primarily from a Chinese society, high in

traditionality, to increase the variance in cultural values, we followed the method used by Earley (1993) and collected a sample from the US, a country which is typically lower in traditionality.

The second sample comprised of 150 managers in a leading global automobile company in its North America location. These managers were heads of functional units with an average age of 41 years (s.d.=7.05), an average year of education after high school of 5.06 years (s.d. 2.60), and an average organizational tenure of 9.10 years (s.d. =6.28). Women constituted 34% of the group. Managers from these 2 samples were similar in age, educational level and managerial levels in their respective organizations. However, there were some differences in their organizational tenure and gender composition. Therefore, a dummy variable was created to control for sample differences in our analyses.

## **Procedures**

Members of both samples were participants in a three-day executive development class sponsored by their companies. Managers in the first sample attended the program in Asia, and those in the second sample attended a West Coast business school program. Managers' participation in both executive programs was attained through nomination by supervisors and selection by senior executives. The data were collected a month prior to the executive education programs. The focal managers were provided with feedback during the program on some of the measures in the surveys.

The data collection procedures differed slightly across the two samples. In the first sample, the HR coordinator of executive education at the company sent the researchers the names of the immediate supervisor of the focal manager as well as three randomly selected subordinates of the focal manager. In the second sample, three subordinates were chosen by the

focal managers, which were then sent to the focal managers' immediate supervisor for approval to ensure that the three subordinates selected were representative of subordinates for the focal manager. The HR coordinator of this executive education program also examined the list of subordinates nominated by the focal managers to help minimize selection bias by the focal managers.

The focal manager, his/her immediate supervisor, as well as three subordinates of each focal manager were asked to complete a survey that was mailed directly from the researchers and returned directly to the researchers. Respondents were assured that no one in their companies would see the completed surveys or the personalized feedback reports. The feedback was only for the focal managers' eyes only. Data from the different sources were combined in the personal feedback report in such a way that individual anonymity was assured. The surveys were coded so that we could match up data from the different respondents. In sample 1, there were 115 focal managers and an 87% response rate: 89 supervisors (89%) and 158 subordinates (53%). In sample 2, there were 150 focal managers and a 91% response rate; 140 supervisors (93%); and 388 subordinates (86%).

## **Measures**

To avoid common method variance, we obtained our independent variable measures and our dependent variable measure from different sources. We asked the subordinates to rate the focal managers' transformational leadership behavior. Using subordinates as the referents here is important because they are in the position to see the focal managers' behavior on a daily basis. We asked the immediate supervisor of each focal manager to assess their own cultural values and

the focal manager's leadership effectiveness. These bosses are the appropriate referents because they are responsible for evaluating the performance of managers in their companies.

**Transformational Leader Behaviors.** Podsakoff, MacKenzie, Moorman, and Fetter's (1990) transformational leadership behavior inventory was used to assess the leadership behaviors in this study. This scale is designed to measure six key dimensions of transformational leadership that have been identified in the research literature as indicated above. Previous research using this inventory has found support for the hypothesized factor structure and indicates good reliability (Podsakoff et al., 1996), most recently in a Taiwanese setting (Chen & Farh, 1999).

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Insert Table 1 about here

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A confirmatory factor analysis of our data supported a six-factor solution. Before the data were combined to create a single sample, a test of group invariance was conducted on the factor structure to ensure that the structure is consistent across the two samples. The results indicate that the six dimensions, their loadings, and their intercorrelations are consistent across the two samples. Acceptable levels of reliability were also found for all six scales (see Table 3).

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Insert Tables 2 and 3 about here

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**Traditionality.** Traditionality was measured with five items taken from Farh et al. (1997), which were adapted from the Chinese Individual Traditionality Scale. The items for this

scale are provided in the appendix. The scale has a reliability score of .81 and a unidimensional factor structure.

**Effectiveness.** This variable was measured using the reputational effectiveness scale developed by Tsui (1984) and used in Ashford and Tsui (1991), and Tsui, Ashford, Clair and Xin (1995). This three-item summary scale measures the extent to which focal managers have met performance expectations as a leader. The scale was found to have reliability of .86 and an unidimensional factor structure.

## Results

The means, standard deviations, reliabilities, and correlations for all of the survey variables are provided in Table 3. As expected, the different dimensions of transformational leadership are positively correlated with each other.

The results of the moderated regression analyses are provided in Table 4. To avoid suppression effects due to the moderate multicollinearity, we conduct a separate set of regressions for each of the six dimensions of transformational leadership.

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Insert Table 4 about here

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In each Model 1, we examine the effects of five control variables: a dummy variable for the company the focal manager was from (0 for sample 1, 1 for sample 2), the time that the boss has known and worked with the focal manager, and the time that the subordinate has known and worked for the focal manager. These controls are included because they may affect the assessments of leadership and effectiveness. Model 1 is the same for each dimension of transformational leadership. In each Model 2, we examine the main effects of the particular

transformational leadership dimension and traditionality. In each Model 3, we examine the effect of the interaction effect produced by one dimension of transformational leadership and traditionality.

For example, in examining the moderating effect of Traditionality on the relationship between Articulate a Vision and Leadership Effectiveness, we first regressed effectiveness on our five control variables in Model 1. Then, we added the main effects of the Articulate a Vision and Traditionality scales in Model 2. We then added the interaction effect of Traditionality and Articulate a Vision was to the regression in Model 3. We tested the moderating effect by examining the change in  $R^2$  attributed to the interaction term. If the interaction term added to the second stage of the regression analysis produced a significant change in  $R^2$ , then Traditionality could be said to be a moderator of the relationship between Articulate a Vision and Effectiveness.

As Table 4 shows, the main effects for each of the dimensions of transformational leadership were significant and in a positive direction (the exception is Individualized Support which was marginally significant at the .10 level but in the predicted direction). These effects support prior literature on the effectiveness of transformational leadership. In no case was the main effect of Traditionality significant. The lack of a main effect for cultural values indicates that there is not something about these cultural values that by themselves influence ratings of effectiveness (i.e., just because a boss has traditional values does not influence his/her general ratings of effectiveness).

The moderated regression analyses indicate that there may be some cultural value differences in the effectiveness of different dimensions of transformational leadership. Bosses who have more traditional values perceive a weaker relationship between several dimensions of

transformational leadership behavior (i.e., Appropriate model, Vision, and High Performance Expectations, and Intellectual Stimulation) and leadership effectiveness. These results support hypotheses 2, 4, 5, and marginally support hypothesis 6, the dimension of intellectual stimulation. Hypotheses 1 and 3, which suggest that traditionality will moderate the effect of Individualized Support and Group Goals on leadership effectiveness, are not supported.

### **Discussion**

The pattern of our results is quite interesting. In support of the plethora of prior studies showing a link between transformational leadership and leadership effectiveness, the main effect of each of the six dimensions is significant (though only marginally so for individualized support). This indicates that the ability of a leader to articulate a vision, provide an appropriate model, foster group goals, create high performance expectations, and provide intellectual stimulation is generally important in assessments of leadership effectiveness.

But of course, the primary purpose of this paper is to examine whether the effectiveness of transformational leadership is culturally specific or universal. We found some evidence of cultural specificity regarding the traditionality cultural dimension. It may be helpful to discuss the findings of Chen and Farh's study of transformational leadership (1999). In their study, they classified Podsakoff's dimensions of transformational leadership as either task-oriented or relationship-oriented. The dimensions of articulate a vision, set high performance expectations, and intellectual stimulation are classified as more task-oriented. The dimensions of individualized support, appropriate model, and fostering group goals are classified as more relationship oriented. The findings are consistent for the more task-oriented dimensions of transformational leadership – as expected, each is found to have a weaker relationship with leadership effectiveness in the case of bosses with more traditional values. Traditional values

place less emphasis on task achievement and more focus on preserving harmonious relationships, so these findings make sense.

The findings with regard to the more relationship-oriented dimensions of transformational leadership are less consistent. Two of these dimensions, individualized support and fostering group goals, we had hypothesized would have a positive moderating effect. Both interaction terms were not found to be significant. The third relationship dimension we had hypothesized to have a negative moderating effect and this was supported.

In summary, these findings suggest that bosses with traditional values place less emphasis on the task-oriented dimensions of transformational leadership but that they do not necessarily place more importance on two of the more relationship-oriented dimensions of transformational leadership. It may be that other types of cultural values such as collectivism/individualism matter more for the relationship-oriented dimensions of transformational leadership. This will be an important direction for future research – examining other relevant cultural values.

The four significant negative interactions suggest transformational leaders are not perceived to be particularly effective by those with more traditional cultural values. Gerstner and Day's (1994) research comparing prototypical leaders in different countries found that different countries seem to have different prototypes of business leaders. People with traditional cultural values appear have different perceptions about how an effective leader should behave. It appears that they place less importance on the task-orientation of the transformational leader.

### **Implications for Research**

This research demonstrates that we cannot just transfer constructs and theories developed in a North American context and assume they will work the same way in culture with



substantially different value sets. Instead, we need to look carefully at whether the meaning of constructs and their relationships with relevant outcomes can be affected by the different norms and expectations within a culture. This is especially true of a construct of leadership that carries a certain amount of romance and baggage in Western cultures (Meindl, Ehrlich & Dukerich, 1985).

This research approach has a number of strengths. First, in contrast to prior cross-cultural work on transformation leadership by the GLOBE study and others, we provide the conceptual development of the logic for expected cultural differences to better understand WHY such differences may occur. Most of the prior work has just looked for empirical differences and then drawn post hoc conclusions. Second, we actually measure cultural values rather than just relying on country membership (nationality) to test for cultural differences. This provides a more precise test of cultural effects and provides a clearer understanding of why such differences may exist. And third, we collect data from different referents (i.e., the subordinates of the focal manager assesses the manager's behavior and the boss of the focal manager assesses their own cultural values as well as the effectiveness of manager) to minimize the potential for common method bias.

This study follows the paradigm for confirmatory cross-cultural research developed by Lytle et al. (1995). They suggest that researchers select a mid-range theory to test cross-culturally – in this case, the effectiveness of transformational leadership. Then, researchers should select at least one cultural dimension to incorporate into the mid-range theory to explain why selected cultural groups may differ – in this case, traditionality. Finally, researchers chose a design to allow replication across cultural samples – in this case, we study two samples representing different cultural contexts. To our knowledge, this is the first study that measures

specific cultural values in examining the impact of culture on the relationship of transformational leadership and leadership effectiveness. Past research tended to use nationality as a proxy to examine the impact of culture on leadership.

### **Implications for Practice**

As the business world increasingly becomes a global marketplace, we need a better understand of the cultural boundaries of leadership. Today, with global expansion of businesses, we see more opportunities for cross-cultural interactions within organizations and with customers and suppliers. While in the past, it was not uncommon for a U.S. expatriate to manage a foreign business, today, we are likely to see a manager from one country managing a team of employees from a wide range of other countries on a transnational team. It is not clear what effective leadership looks like when one is leading an international array of employees. This research suggests that by understanding the cultural values of those involved, we can develop a better understanding of what effective leadership will look like.

### **Conclusion**

Is transformational leadership positively related to effectiveness regardless of culture? Based on this study, yes. Does this positive relationship work the same way, regardless of culture? Based on this study, no. We found that those with more traditional cultural values see a weaker link between transformational leadership and leadership effectiveness compared to those with less traditional cultural values. The obvious next step is to study other possible different moderating cultural values using different samples. It is not really enough to know if transformational leadership works across cultures. Now, we need to gain a better understanding of how, when and why it works. This study is a start in this direction.

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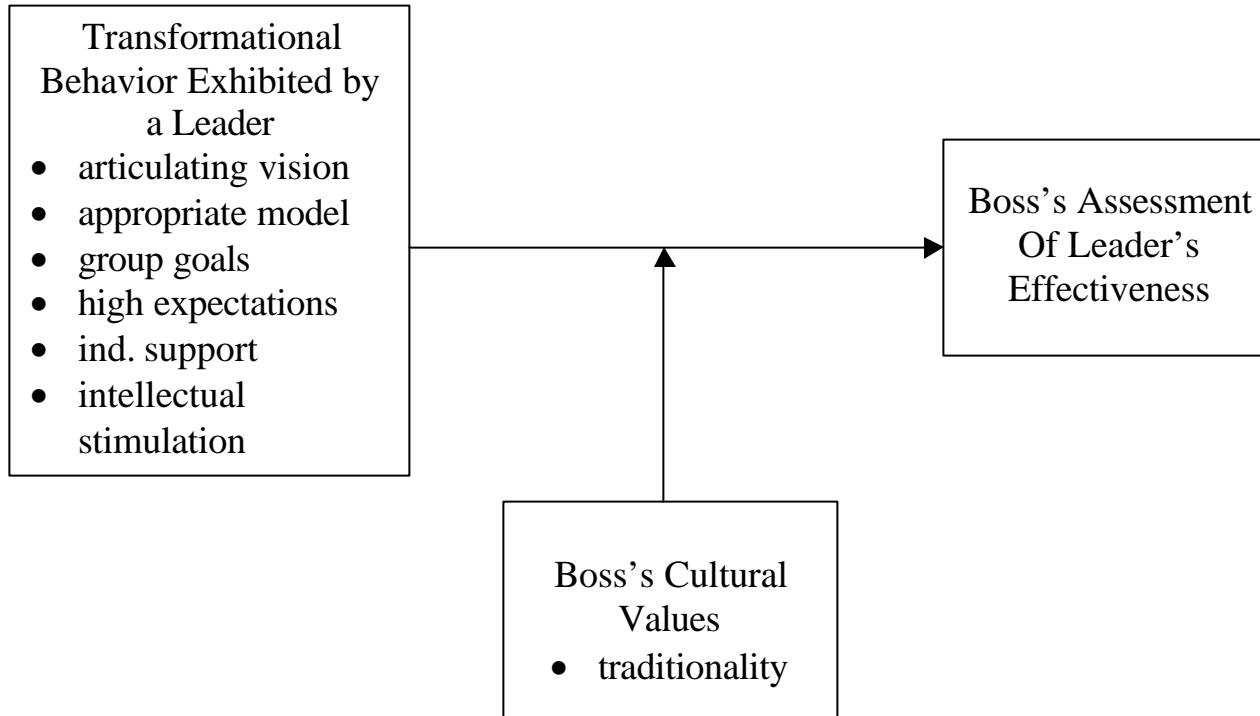
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**Figure 1**  
**A Visual Representation of the Research Model**



**Table 1**  
**CFA Factor Analysis for the Transformational Leadership Scale (N=547)**

	1	2	3	4	5	6
<b>Group Goals</b>						
Encourages employees to be “team players”	.75					
Fosters collaboration among work groups	.77					
Develops a team attitude and spirit among his/her employees	.85					
Gets the group to work together for the same goal	.85					
<b>Individualized Support</b>						
Treats me without considering my personal feelings (R)		.74				
Acts without considering my feelings (R)		.78				
Shows respect for my personal feelings		-.85				
Behaves in a manner that is thoughtful of my personal needs		-.84				
<b>Provides Appropriate Model</b>						
Leads by “doing” rather than simply by “telling”			.70			
Leads by example			.83			
Provides a good model to follow			.88			
<b>Intellectual Stimulation</b>						
Has ideas that have forced me to rethink some of my own ideas				.74		
Has provided me with new ways of looking at things that used to be a puzzle for me				.77		
Has stimulated me to think about old problems in new ways				.84		
<b>High Performance Expectations</b>						
Insists on only the best performance					.83	
Will not settle for second best					.79	
Shows us that he/.she expects a lot from us					.54	
<b>Articulating a Vision</b>						
Is always seeking new opportunities for the unit/department/organization						.68
Paints an interesting picture of the future for our group						.73
Is able to get others committed to his/her dream of the future						.79
Inspires others with his/her plans for the future						.80
Has a clear understanding of where we are going						.71



**TABLE 2**  
**Goodness of Fit of the Leadership Model Across Samples**  
**(Sample 1 = 161, Sample 2 = 386)**

Hypothesis Description	$X^2$	df	$X^2/df$	GFI
1. Equal number of factors	854.48	388	2.20	.89
2. Equal number of factors, item loadings	878.41	404	2.17	.89
3. Equal number of factors, item loadings, measurement error	1035.78	426	2.43	.88
4. Equal number of factors, item loadings, measurement error, and factor correlations	1061.98	447	2.38	.88

**Note:** The factors were tested as orthogonal.

**Table 3**  
**Means, Standard Deviations, and Correlations <sup>a</sup>**

Variable	Mean	s.d.	1	2	3	4	5	6	7	8	9	10	11	12
1. Time supervisors know manager	75.57	58.38	--											
2. Time supervisors work with manager	54.56	54.38	.77**	--										
3. Time subordinates know manager	49.82	55.52	.18**	.19**	--									
4. Time subordinates work with manager	30.36	35.54	.13**	.16**	.55**	--								
5. Traditionality	2.56	1.25	.17**	.09	.11*	.07	(.81) <sup>a</sup>							
6. Vision	5.21	1.11	.03	.00	-.05	-.08	-.05	(.86)						
7. Appropriate model	5.27	1.27	.08	.09	-.04	-.02	-.05	.70**	(.85)					
8. Group goals	5.48	1.10	.03	.03	-.08	-.06	-.03	.67**	.69**	(.88)				
9. High performance expectations	5.29	1.05	-.10*	-.05	.01	-.00	.01	.55**	.45**	.48**	(.75)			
10. Individualized support	5.39	1.23	-.06	-.08	-.08	-.09	-.07	.48**	.59**	.64**	.22**	(.88)		
11. Intellectual stimulation	5.15	1.12	.11*	.12*	.04	.03	-.08	.64**	.55**	.50**	.35**	.39**	(.83)	
12. Effectiveness	5.33	.93	.07	.07	-.06	-.05	.00	.28**	.21**	.20**	.13**	.12**	.16**	(.86)

<sup>a</sup>Numbers in parentheses are reliability measures (Cronbach's alpha)

\*p < .05

\*\*p < .01

**Table 4**  
**Summary of Moderated Regression Analyses -Traditionality and Leadership Effectiveness**

Independent Variables	Leadership Effectiveness													
		Group Goals		Individualized Support		Role Model		Intellectual Stimulation		High Performance		Vision		
	Model 1	Model 2	Model 3	Model 2	Model 3	Model 2	Model 3	Model 2	Model 3	Model 2	Model 3	Model 2	Model 3	
<u>Controls:</u>														
Sample	.15**	.15**	.15**	.14**	.14**	.12**	.12**	.14**	.14**	.14**	.13**	.13**	.13**	.13**
Time supervisors know manager	.11	.11	.10	.11	.11	.10	.09	.10	.10	.13	.13	.08	.08	.08
Time supervisors work with manager	-.01	-.02	-.02	-.00	-.00	-.03	-.03	-.02	-.02	-.03	-.04	.00	-.00	-.00
Time subordinates know manager	-.04	-.04	-.04	-.04	-.04	-.03	-.04	-.04	-.05	-.04	-.05	-.04	-.05	-.05
Time subordinates work for manager	-.06	-.05	-.03	-.05	-.06	-.05	-.03	-.06	-.05	.05	-.03	.02	.01	.01
<u>Main Effects:</u>														
Group Goals		.19**	.32**											
Individualized Support				.10 <sup>†</sup>	.05									
Role Model						.22**	.44**							
Intellectual Stimulation								.14**	.31**					
High Performance Expectations										.17**	.42**			
Vision												.32**	.52**	
Traditionality		.02	.33	.01	-.09	.02	.47*	.03	.39 <sup>†</sup>	.01	.66**	.03	.54*	
<u>Interactions:</u>														
Group Goals x Traditionality			-.34											
Support x Traditionality					.12									
Model x Traditionality							-.50*							
Stimulation x Traditionality									-.40 <sup>†</sup>					
Expectations x Traditionality											-.69**			
Vision x Traditionality													-.53*	
<i>Overall Model F:</i>	<i>2.41*</i>	<i>3.69**</i>	<i>3.42**</i>	<i>2.23*</i>	<i>1.98*</i>	<i>4.29**</i>	<i>4.40**</i>	<i>2.76**</i>	<i>2.78**</i>	<i>3.19**</i>	<i>3.59**</i>	<i>7.74**</i>	<i>7.35**</i>	
<i>Adjusted R-Square</i>	<i>.02</i>	<i>.05</i>	<i>.05</i>	<i>.02</i>	<i>.02</i>	<i>.06</i>	<i>.07</i>	<i>.03</i>	<i>.04</i>	<i>.04</i>	<i>.05</i>	<i>.12</i>	<i>.12</i>	

<sup>a</sup>Entries are standardized regression coefficients.

<sup>†</sup> p < .10; \* p < 0.05; \*\* p < .01

## Appendix

### **Traditionality: Hierarchy, respect for authority**

1. The chief government official is like the head of a household. The citizen should obey his decisions on all matters.
2. The best way to avoid mistakes is to follow the instructions of senior persons.
3. Before marriage, a woman should subordinate herself to her father. After marriage, to her husband.
4. When people are in dispute, they should ask the most senior person to decide who is right.