

Strategy and leadership practices across cultures world-wide

Shaifali Garg*, Institute of Business Management, GLA University, Mathura, Uttar Pradesh, India

Suggested Citation:

Garg, S. (2018). Strategy and leadership practices across cultures world-wide. *Global Journal of Psychology Research: New Trends and Issues*. 8(2), 70–75.

Received from September 25, 2017; revised from November 05, 2017; accepted from June 05, 2018.
Selection and peer review under responsibility of Prof. Dr. Tulay Bozkurt, Istanbul Kultur University, Turkey.
©2018 SciencePark Research, Organization & Counseling. All rights reserved.

Abstract

Most companies develop their strategy around key strengths or core competencies, especially how to coordinate diverse production skills and integrate multiple streams of technologies. But leadership often is credited for the success or failure of international operations. Effective leadership styles and practices in one culture are not necessarily effective in others. For examples, the leadership approach used by effective US managers would not necessarily be the same as that employed in other parts of the world even within the same country. Effective leadership tends to be very situation specific. However, certain leadership styles and practices transcend international boundaries. This paper gives a bird's eye view of Japanese versus U.S. Leadership styles.

Keywords: Leadership, strategy, worldwide.

* ADDRESS FOR CORRESPONDENCE: **Shaifali Garg**, Institute of Business Management, GLA University, Mathura, Uttar Pradesh, India. **E-mail address:** shafali_garg@yahoo.co.in / **Tel.:** +91-9990064173

1. Introduction

The concept of culture is about as old as civilisation. The word culture is derived from the Latin word 'cultura' which relates to cult or worship. It comprises entire set of norms and response that condition people's behaviour. In common parlance, culture acquired knowledge that people use to interpret experience and to generate social behaviour. Their knowledge forms values, creates attitudes and influence behaviour.

To sum up. Culture consists of the following components:

1. Basic, beliefs strongly held attitudes about important ideas (values).
2. Accepted standard of behaviour (norms).
3. Historical or traditional way of doing and thinking about things.
4. Customs stories or folklores passed from one generation to another.
5. Customs or rituals that society believes in and following (mores).
6. Art, symbol, weapons, pottery and so on that are physical representation of culture (art and artefacts).

2. Cultural diversity

Cultural	Type of Handshake
United States	Firm
Asian	Gentle and uncomfortable for same, exception is the Korean, who usually has a firm Handshake
British	Light and quick (not offered to superiors);repeated on arrival and departure
German	Brisk and firm, repeated on arrival and departure
Latin America (Brazil)	Moderate grasp, repeated frequently
Middle eastern	Gentle, repeated frequently

3. Leadership across cultures

3.1. Introduction

Leadership often is credited for the success or failure of international operations. Effective leadership styles and practices in one culture are not necessarily effective in others. Even within the same country, effective leadership tends to be very situation specific.

Before going further, we should know the parameters on which we have to focus.

1. How do leaders in other countries attempt to direct or influence their subordinates?
2. Are their approaches similar to those used in the United States?

Research shows that there are both similarities and differences.

Most international research on leadership has focussed on Europe, East Asia and Middle East and on developing countries such as India, Peru, Chile (South America) and Argentina.

4. Leadership practices around the globe

British managers tend to use a highly **Participative Leadership Approach**. This is true for two reasons:

1. Political background of the country favours such an approach.
2. Because most Top British managers are not highly involved in the day-to-day affairs of business. They prefer to delegate authority and let much of the decision making be handled by middle and lower level managers.

French and German managers prefer a more work-concentred, authoritarian approach. In fact, if labour unions did not have legally mandated seats on the board of directors, participative management in Germany likely would be even less pervasive than it is a problem that currently confronts firms like Volkswagen that are trying to reduce sharply their overhead to meet increasing competition in European countries. However, make wide use of participative leadership approach with workers representation on the board of directors and high management worker interaction regarding workplace design and changes.

Most of the evidences indicate that European managers tend to use a participative approach. They do not entirely subscribe to Theory ‘y’ philosophical assumption, however, because an element of Theory ‘x’ thinking continues. European managers tend to reflect more participative and democratic attitudes, but not in every country.

In addition, Organisational level, company size and age seem to greatly influence attitude towards leadership.

5. Japanese leadership approaches

Japan is well known for its **paternalistic approach** to leadership. Japanese culture promotes a high safety or security need, which is present amongst home country base dive employees as well as MNC expatriates. For example:

1. One study examined the cultural orientation of 522 employees of 28 Japanese owned firms in United States and found that the native Japanese employees were more likely to paternalistic company behaviour than their US counterparts.
2. Another study found that Koreans also value such paternalism. But US and Japanese managers have a basically different philosophy to manage people.

Japanese leadership approach is heavily group-oriented, paternalistic and concerned with employee’s work and personal life. So US leadership approach is almost the opposite, they have individualistic.

5.1. Conclusion

Japanese tend to be more ethnocentric than their US counterparts. The Japanese thinks of themselves as Japanese managers who are operating overseas, most do not view themselves as international managers. As a result, even if they do adopt their leadership approach on the surface to that of the country in which they are operating, they still believe in Japanese way of doing things and are reluctant to abandon it.

Philosophical dimension	Japanese approach	US approach
Employment	Often for life, layoffs are rare	Usually short term, layoffs are common
Evaluation and promotion	Very slow: Big promotion may not come for the first 10 years	Very fast: Those not quickly promoted often seek employment elsewhere
Career paths	Very general people rotate from one area to another and become familiar with all areas of operations	Very specialised, people tend to stay in one area for their entire careers

Decision making	Carried out via group decision making	Carried out by the individual manager
Control mechanism	Very implicit and informal, people rely heavily on trust and goodwill	Very explicit, people know exactly what to control and how to do it
Responsibility	Shared collectively	Assigned to individuals
Concerns for employees	Management’s concern extends to the whole life, business and social of the workers	Management is concerned basically with the individual’s work life only

6. Leadership in china

Leadership is culturally influenced, but as the economy of china continues to change and country moves more towards capitalism, the work values of managers may well use leadership style similar to those in the west, something that has occurred in Japan.

American and Chinese approaches often incompatible all too often, Americans see Chinese negotiators as inefficient, indirect and even dishonest while Chinese see American negotiators as aggressive, impersonal and excitable. Such differences have deep cultural origins. Yet those who know how to navigate these differences can develop thriving, mutually profitable and satisfying business relationships. Chinese negotiators are more concerned with the means than the end with the process more than goal.

The basic cultural values and ways of thinking:

American	Chinese
Individualist	Collectivist
Egalitarian	Hierarchical
Information oriented	Relationship oriented
Reductionist	Holistic
Sequential	Circular
Seek the truth	Seek the way
Argument culture	Haggling culture

7. Leadership approaches in developing countries

Developing countries like India, Peru, Chile and Argentina have their affiliation with Great Britain. Leadership styles in India would seem more likely to be participative than those in the Middle East or other developing countries.

As countries become more economically advanced, participative style may well gain importance, however the three types of Leaders:

1. Innovator
2. Implementer
3. Pacifier

The traits, abilities and behaviour of three types of leaders.

7.1. Innovator

- Likes to compete and win.
- Keeps on trying to succeed.

- Assumes responsibility for success and failure.
- Takes moderate as opposed to high Risk.
- Likes to commit unit to a major course of action.
- Is actively searching for new ideas to improve unit.
- Seeks organisational growth.
- Is motivated by the need to achieve to be creative.
- Centralises decision making is in control.
- Want to stand out from rest of the group (dares to behave differently).
- Believes the environment can be controlled and manipulated.
- Is long-range oriented.
- Desires to exercise power, control and influence situation.

7.2. Implementer

- Is activity assertive.
- Is able to get things done through others.
- Has the ability to assume responsibility for decision making.
- Is systematic in analysis and in problem solving.
- Is able to integrate decision and analysis.
- Is both long range and short range oriented (attends to distant needs as well as today's).

7.3. Pacifier

- Has a positive attitude towards authority figures.
- Is willing to carry out administrative functions (willing to do paper work).
- Is interested in friendly relationship.
- Likes to communicate and collaborate with employees (socially oriented).
- Likes to improve social atmosphere in the unit.
- Makes decisions that keep everyone moderately happy.
- Allows employees to make many of the unit's decision (delegate decision making).
- Seeks to satisfy influenced individuals.
- Believes environment cannot be controlled and manipulated.
- Makes short-range decisions (deals only with day-to-day problems).

American manager	Japanese manager
Is a decision maker	Is a social facilitator
Is the head of the group	Is the member of a group
Is directive	Is paternalistic
Often has conflicting values	Has harmonious values
Is confrontational, top down communication	Facilitates cooperation

8. Conclusion

Managers in the twenty-first century are being challenged to operate in an increasingly complex, interdependent and dynamically challenged to operate in an increasingly and dynamically global environment. Those involved in global business have to adjust their strategies and management styles to those regions of the world in which they want to operate, whether directly or through some form of alliance. Typical challenges that he has faced are those involving politics, culture and the use, transfer and protection of technology. In addition, the opportunities and risk of the global marketplace increasingly bring with them the societal obligations of operating in global community, where priorities of cultural values: United States, Japan countries.

United States	Japan
Freedom	Belonging
Independence	Group harmony
Self-reliance	Collectiveness
Equality	Age/seniority
Individualism	Group consensus
Competition	Co-operation
Efficiency	Quality
Time	Patience
Openness	Go-between

References

- B01087 Book: *Cross cultural aspects of business management*. Gangtok, India: Sikkim Manipal University.
- Daniels, J. D. & Radebaugh, L. H. *International business*. Person Education, Asia.
- Elashmawi, F., & Harris, P. R. (1993). *Multicultural management: New skills for global success*. Gulf Publishing Company.
- Hoggets, R. M. & Uthans, F. *International management*. New York, NY: McGraw Hill Publishing.
- Hrishikesh, M. P. (1999). Multiculturalism and international human resource management. *The Indian Journal of Commerce*, 52, 175–184.
- Lee, S. M. & Schwendiman, G. (1982). *Japanese management, cultural & environmental consideration*. New York, NY: Praeger Publishers.
- Ouchi, W. (1981). *Theory Z: how American business can meet the Japanese challenges*. Reading, MA: Addison-Wesley.
- Raju, T. (2009). Training as an effective HRD technique in Banking sector—an opinion survey. *IJTD Journal*, 35, 2. (April–June, 2005).
- Rao, P. S. *International business*. Mumbai, India: Himalaya Publishing House.
- Rao, T. V. & Raju, R. (2002). *A study of leadership styles and their impact*. Presented at the Academy of HRD. International Research conference on HRD in Asia, 2002, IIM, Bangalore.
- Rao, T. V., Raju, R. & Soumya, D. (2005). *HRD: challenges & opportunities* (N. Rohmetra (Ed.), pp. 203–234). New Delhi, India: Anmol Publications.
- Rao, T. V., Silveria, D. M., Srivastava, C. M. & Rajesh, V. (1994). *HRD in the new economic environment*. New Delhi: First Print, Tata McGraw-Hill.
- Rao, T. V., Verma, K. K., Khandelwal, A. K. & Abraham, E. S. J. (1988). *Alternative approach and strategies of human resources development*. Jaipur, India: Rawat Publications.
- Ravishankar, S., Mishra, R. K. & Motilal, S. (1988). *HRD in a changing environment*. Bombay, India: Dhruva & Deep Publications.
- Reddy, A. J. M. (2006). HRD: origin, concept and future. *PJMR*, 10(1 & 2).
- Riyaz, R. (2010). Performance planning, analysis and development in commercial banks: a micro level comparative study. *Manpower Journal*, 12(3). (July–September, 2006).
- Rodrigues, C. A. (1988, September). Identifying the right leader for the right situation. *Personnel*.
- Thakur, Burton & Srivastava. *International management*. New Delhi, India: T.M.H Publishing House.
- Yatin, R. (1988, July 28). *Training effectiveness*. Bombay, India: The Economic Times.