

# Strategy and Leadership Practices Across Cultures World Wide

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## Abstract

Most companies develop their strategy around key strengths or core competencies, especially regarding 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 world, not even within the same country. Effective leadership tends to be very situation specific.

However, certain leadership styles and practices transcend international boundaries. This article gives a bird's eye view of Japanese vs. US leadership styles.

**Keywords:** Leadership, Culture, Styles, Approaches

## Introduction

The concept of culture is about as old as civilization. The word culture is derived from the Latin word '*cultura*' which relates to cult or worship. It comprises an entire set of norms & responses that condition people's behaviour. In common parlance, culture helps people to acquire knowledge that they use to interpret experience and generate social behaviour. Their knowledge forms values, creates attitudes, and influences behaviour.

To sum up, culture consists of the following components:

- Basic beliefs, strongly-held attitudes about important ideas (values).
- Accepted standard of behaviour (norms).

- Historical or traditional way of doing and thinking about things.
- Customs, stories, or folklores passed from one generation to another.
- Customs or rituals that society believes in and follows (mores).
- Art, symbol, weapons, pottery, and so on that are physical representations of culture (art & artefacts).

**Table 1: Cultural Diversity (Eyring, 2011)**

<i>Culture</i>	<i>Type of Handshake</i>
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 & departure
German	Brisk & firm, repeated on arrival and departure
Latin America (Brazil)	Moderate grasp, repeated frequently
Middle Eastern	Gentle, repeated frequently

## Leadership Across Cultures

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

- How do leaders in others countries attempt to direct or influence their subordinates?
- Are their approaches similar to those used in the United States?

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Research shows that there are both similarities and differences.

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

### Leadership Practices around the Globe

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

- Political background of the country favours such an approach.
- 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 handle by middle- & low-Level managers.

French and German 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 would likely be even less pervasive than it is a problem that currently confronts firm like Volkswagen that are trying to reduce sharply their overhead to meet increasing competition.

Participative leadership approach with workers representation on the board of directors plays a key role in designing the administrative practices and Top level management workers interactions regarding workplace design promotes to adapt the change. changes.

Most evidence indicates 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, Europeans managers tend to reflect more participative and democratic attitudes, but not in every

country.

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

### 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 among home-country-based employees as well as Multi National Coporations strives to improve their expatriates before, during and after international assignmentsMNC For example:

- One study examined the culture orientation of 522 employees of 28 Japanese-owned firms in the United States and found that the native Japanese employees were more likely to paternalistic company behaviour than their US counterparts.which simply defined Japanese Leadership Styles is more indivilized care that is similar to benevolent leadership.
- Another study found that Koreans also value such paternalism. But the US and Japanese managers have a basically different philosophy of managing people.

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

### Conclusion

Japanese tend to be more ethnocentric than their US counterparts. Japanese managers who are operating overseas 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.

**Table 2: Current Differences Between Japanese and United States Approaches (Rogers, 1993)**

<i>Philosophical Dimension</i>	<i>Japanese Approach</i>	<i>US Approach</i>
Employment	Often for life, layoffs are rare	Usually short-term, layoffs are common
Evaluation & Promotion	Very slow: Big promotion may not come for the first 10 years	Very fast: Those not quickly promoted often seek employment elsewhere.

<i>Philosophical Dimension</i>	<i>Japanese Approach</i>	<i>US Approach</i>
Career paths	Very general people rotate from one area to another & become familiar with all areas of operations.	Very specialized; 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 & informal; people rely heavily on trust & goodwill	Very explicit; people know exactly what to control, 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.

## Leadership in China

Leadership is culturally influenced, but as the economy of China continues to change and the 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 are often incompatible. All too often, Americans see Chinese negotiators as inefficient, indirect, and even dishonest whereas 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:

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

## Leadership Approaches in Developing Countries

In developing countries like India, Peru, Chile, and Argentina, due to their affiliation with Great Britain,

leadership styles in India would seem more likely to be participative in approach rather than those in the Middle East or other developing countries. As become more economically advanced, participative style may well gain in importance. However, the three types of leaders are as follows:

- INNOVATOR
- IMPLEMENTOR
- PACIFIER

The traits, abilities, behaviour of three types of leaders are discussed as follows.

### Innovator

- Likes to compete & 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 organizational growth.
- Is motivated by the need to achieve to be creative.
- Centralizes decision making is in control.
- Wants to stand out from rest of group (dares to behave differently).
- Believes the environment can be controlled and manipulated.
- Is long-range oriented.
- Desires to exercise power, control, influence situation.

### Implementer

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

### 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 & 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 unit's decision (delegates decision making).
- Seeks to satisfy influenced individuals.
- Believes environment cannot be controlled & manipulated.
- Makes short-range decisions (deals only with day to day problems).

American Manager	Japanese Manager
Is a decision maker	Is a social facilitator
Heads the group	Is the member of a group
Is directive	Is paternalistic
Often has conflicting values	Has harmonious values
Is confrontational, top-down communication	Facilities cooperation

### Conclusion

Managers in the 21<sup>st</sup> century are being challenged to operate in an increasingly complex, interdependent, and

dynamic 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 a manager has to face involve politics, culture and the use, transfer and protection of technology. In addition to this, Several opportunities and risk in the global marketplace increasingly bring the societal obligations of operating in global community where priorities of cultural values is the main issue ,with the help of the following table we easily make a difference in there approach in relation to work mechanism with rest to countries like 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

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