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# 8 Leadership Effectiveness across Cultures

## *The Linkage With CEO Behaviors*

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**T**his chapter presents our empirical evidence regarding CEO leadership behavior and effectiveness across cultures. As indicated in Chapter 4, data were obtained from more than 1,000 CEOs and 5,000 top management team (TMT) members located in 24 countries across the world. The leadership behaviors are actual CEO behaviors that are reported by TMT members. The outcome measures were obtained from different TMT members than those reporting the CEO leadership behaviors (the exception is the presentation of same source results for comparison purposes in Table 8.2a). We present findings regarding a number of research questions posed in previous chapters regarding the similarities and differences of leadership behaviors and effectiveness found in very different cultural contexts. These questions were formed as a result of previous GLOBE research (GLOBE 2004 and GLOBE 2007), the cumulative research literature on cross-cultural leadership to date, and our model presented in Chapter 1. The following topics are of specific interest in this chapter:

- Understanding the general level of CEO effectiveness as perceived by TMT members across cultures
- Analyzing the *overall* impact of CEO leadership behaviors on TMT Dedication and Firm Performance
- Determining the specific impact of 6 global CEO leadership behaviors and 21 primary CEO leadership behaviors on TMT Dedication and Firm Performance
- Identifying leadership behaviors that are particularly effective, not effective, and ineffective in influencing outstanding leadership
- Investigating the similarities and differences in effective leadership across cultures and the meta-question of leadership universality versus cultural contingency.

## The Measurement of CEO Effectiveness

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The concept and metrics of measuring leadership and organizational effectiveness is complex. Leadership effectiveness may be reflected in a number of diverse indices, including financial success, meeting organizational objectives, the level of employee satisfaction, clients, and customers among many other indices. Measuring leadership effectiveness becomes far more problematic when considering the diversity of organizations and industries found across cultures.

In the present GLOBE project, we examined effectiveness from two different but related perspectives. First, we examined effectiveness from the standpoint of the CEOs' TMT motivation, commitment, and ability to work together as a team. We developed these measures of effectiveness from direct reports under the rubric of "Internally Oriented Measures of Effectiveness." As explained in Chapter 4, three separate outcomes of TMT individual Commitment, individual Effort, and Team Solidarity were measured independently and then combined as a gestalt, which we labeled *TMT Dedication* (this is a term that will be used throughout the remainder of the chapter). As a second main metric of effectiveness, we measured firm performance. As explained in Chapter 4, this approach was challenging as completely objective measures of firm performance such as return on investment (ROI) are notoriously difficult to reliably obtain even within a single country. They are even more problematic with respect to overall validity and comparability across countries. We chose to measure firm performance by asking TMT members who had access to financial information to report how competitive their firm is compared to their peers. Our *Firm Competitive Performance* measure consisted of two separate outcomes: (1) Competitive Sales Performance and (2) Competitive Industry Dominance.<sup>1</sup> These are our "Externally Oriented Measures of Effectiveness." Again, only TMT members who had access to financial information were included in the assessment of Firm Competitive Performance (see Chapter 4 for a complete description of the measurement properties of these variables).

In the sections to follow, we first describe our results pertaining to leadership effectiveness in general. Then we present a detailed discussion of effectiveness with respect to our internal and external measures of effectiveness (TMT Dedication and Firm Competitive Performance). We briefly present descriptive information regarding the perception of CEO effectiveness. This information is presented for two related reasons. First, we were interested in determining if the generally negative portrayal of CEOs in popular media outlets such as TV, movies, and

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<sup>1</sup>We also developed a measure of perceived ROI, but this measure proved very problematic and was dropped from the analysis.

social media hold true in organizations around the world. That is, we were curious if this negative perception is the norm for TMT members or if the reality is that CEOs are generally held in a more positive light. Second, it would seem inappropriate for the present project to convey the impression that certain leadership behaviors are more (or less) effective if we find that CEO influence is generally negative. We will show in later chapters that not all CEOs are equally successful as demonstrated by their TMT Dedication and Firm Competitive Performance.

## **CEO Effectiveness Across Countries: Top Management Team Dedication and Firm Competitive Performance**

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We first computed a measure of TMT Dedication averaged across countries. The Dedication measure contains scores composed of TMT Commitment, Effort, and Team Solidarity. The average score across all countries is 5.61 on a 7-point Likert scale. We interpret this average score in a positive light. Overall, TMT members are reasonably committed, put forth significant work effort, and view each other as a team. Our measure of Firm Competitive Performance was composed of two constituent measures: Competitive Sales Performance and Competitive Industry Dominance. Each measure reflects the financial officer's perception of the extent to which the firm is competitive using two separate indices. The average Firm Competitive Performance score was 4.27 on a 7-point scale, demonstrating that the firms are perceived to be somewhat successful as indicated by their sales performance and competitive industry domination.

## **Effectiveness of Six Global CEO Leadership Behaviors Considered Together**

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The primary purpose of this chapter is to examine CEO effectiveness and determine what kinds of leadership behaviors lead to effectiveness. Before presenting evidence as to which CEO behaviors are most influential, it seems critical to us to first prove that leadership is important when viewed as a gestalt. Fortunately, an overall view is possible by computing a hierarchical linear modeling (HLM) analysis using the six GLOBE global leadership variables as predictors for the seven dependent variables employed in this project. Recall that TMT Dedication is comprised of three dependent measures and Firm Competitive Performance is

comprised of two measures, hence a total of seven dependent measures: two overall and five constituent variables.

Table 8.1 provides an overall assessment of leadership effectiveness for the six global leadership dimensions considered together.<sup>2</sup> Admittedly, this analysis views leadership as an undifferentiated package where all six global leadership behaviors are considered simultaneously as predictors. This table shows the percentage variance accounted ( $R^2$ ) for each dependent variable. For instance, our overall measure of TMT Dedication is significantly predicted by the six global leadership behaviors as the combined leadership variables account for 21% of the variance ( $R^2 = 21\%$ ,  $p < .01$ ). When examining each measure comprising TMT Dedication, we see a corresponding level of variance accounted for (Commitment  $R^2 = 19\%$ , Effort  $R^2 = 17\%$ , and Team Solidarity  $R^2 = 15\%$ ). We believe this data is particularly impressive given the fact that as explained in Chapter 4, “same source bias” was ruled out since leadership behaviors

**Table 8.1** Percentage Variance Accounted for by Leadership Behaviors Predicting Dependent Variables

Dependent Variable	Six Global Leadership Dimensions	Twenty-One Primary Leadership Dimensions
TMT Dedication	21%**	20%**
Commitment	19%**	19%**
Effort	17%**	17%**
Team Solidarity	15%**	15%**
Firm Competitive Performance	16%**	18%**
Competitive Sales Performance	12%**	14%**
Competitive Industry Dominance	18%**	20%**

*Note:* Analyses were conducted via random coefficient modeling using the *R* program.

$N = 998$  for TMT Dedication and  $N = 320$  for Firm Competitive Performance.

\*\* $p < .01$ .

<sup>2</sup>The HLM regression analysis is performed in a normal manner. The amount of variance accounted for by the analysis is computed. We will call that  $R$  (preliminary). This figure is an underestimate because it includes variance that is not under the control of the leaders (i.e., between society differences in the dependent variable). The percentage of variance in the dependent variable due to society differences is computed and removed. The  $R^2$  (preliminary) is then corrected by doing the following:

$$R^2_{corrected} = \frac{R^2_{preliminary}}{(1 - R^2_{Society})}$$

were obtained from a separate sample from the assessment of each dependent variable.<sup>3</sup>

Similarly, we found that the gestalt effects of leadership behaviors considered simultaneously also predict Firm Competitive Performance. The amount of variance accounted for by employing the six global leadership dimensions was 16% ( $p < .01$ ). The picture is also positive for predicting each of the two constituent measures of this variable. Leadership influence was significant when considering the dependent variables of Competitive Industry Dominance ( $R^2 = 18\%$ ) and Competitive Sales Performance ( $R^2 = 12\%$ ).

## Effectiveness of Twenty-One Primary CEO Leadership Behaviors Considered Together

As expected, when viewing the same table (8.1) but this time examining the gestalt effect for the 21 primary leadership behaviors considered simultaneously, we see a very similar pattern to that of using the 6 global leadership behaviors. The results of using the 21 primary leadership behaviors considered as a unit is generally equally or more predictive of combining the primary leadership dimensions into the 6 global dimensions considered previously. That is, the level of variance accounted for is the same or larger. For example, the  $R^2$  increases from 18% to 20% when predicting Competitive Industry Dominance. Competitive Sales Performance increases from 12% to 14% variance accounted for. Again, the major purpose of this section is to demonstrate that leadership in this worldwide sample has a significant impact on both internally (i.e., TMT Dedication) and externally oriented (i.e., Firm Competitive Performance) dependent measures. It is now up to us to provide a little more detail regarding which leadership behaviors result in greater effectiveness than others and whether effectiveness is moderated by national culture.

## Which CEO Leadership Behaviors Predict Top Management Team Dedication?

For ease of discussion, this first section presents results concerning TMT Dedication, which then is followed by a discussion of leadership effectiveness regarding Firm Competitive Performance. Table 8.2a provides evidence regarding leadership effectiveness for the overall TMT Dedication measure, and Table 8.2b presents evidence of leadership effectiveness for

<sup>3</sup>The relationships between the independent and dependent variables, however, may still be inflated by attribution biases whereby the rating of CEO behaviors are inflated in firms with high performance.

**Table 8.2a** CEO Leadership Behaviors Predicting Top Management Team Dedication: Comparison of Different Versus Common Sources

Leadership Behavior	TMT Dedication			
	Different Source		Common Source	
	Correlation	$\chi^2$ Slope	Correlation	$\chi^2$ Slope
<b>Charismatic</b>	<b>.37**</b>	<b>5.87†</b>	<b>.71**</b>	<b>1.65</b>
Visionary	.35**	2.98	.68**	1.64
Inspirational	.36**	3.00	.59**	2.14
Self-Sacrificial	.29**	4.36	.56**	3.46
Integrity	.35**	1.67	.67**	3.60
Decisive	.23**	1.85	.47**	20.29**
Performance oriented	.33**	6.28*	.62**	8.68*
<b>Team Oriented</b>	<b>.32**</b>	<b>5.62†</b>	<b>.64**</b>	<b>0.16</b>
Collaborative team orientation	.18**	1.96	.46**	7.60*
Team integrator	.24**	3.37	.66**	4.66†
Diplomatic	.31**	3.97	.57**	5.65†
Malevolent	-.22**	0.00	-.39**	0.42
Administratively competent	.31**	6.20*	.57**	13.66**
<b>Participative</b>	<b>.21**</b>	<b>0.29</b>	<b>.39**</b>	<b>9.52†</b>
Participative	.22**	1.00	.42**	2.53
Autocratic	-.12**	1.20	-.21**	8.26*
<b>Humane Oriented</b>	<b>.25**</b>	<b>5.99†</b>	<b>.52**</b>	<b>14.97**</b>
Modesty	.17**	4.20	.32**	20.74**
Humane orientation	.26**	2.83	.53**	13.34**
<b>Autonomous</b>	<b>-.07*</b>	<b>3.05</b>	<b>-.12**</b>	<b>7.21*</b>
<b>Self-Protective</b>	<b>.05</b>	<b>0.41</b>	<b>.18**</b>	<b>0.06</b>
Self-Centered	-.11**	1.08	-.22**	1.13
Status conscious	.11**	0.03	.23**	0.10
Internally competitive	-.19**	0.00	-.24**	8.13*
Face-Saver	.06	0.39	.21**	9.96**
Bureaucratic	.23**	0.12	.48**	7.17*

*Note:* The *autonomous* primary leadership dimension is the same as the global *Autonomous* leadership dimension.

$N = 998$  for different source.  $N = 1,008$  for common source.

†  $p < 0.10$ . \* $p < .05$ . \*\* $p < .01$ .

**Table 8.2b** CEO Leadership Behaviors Predicting Three Constituent Measures of TMT Dedication

Leadership Behavior	TMT Dedication											
	Commitment			Effort			Team Solidarity					
	HLM	SD	Corr	HLM	SD	Corr	HLM	SD	Corr	HLM	SD	Corr
Charismatic	0.48	0.68 <sup>a</sup>	.32**	0.34	0.68	.29**	0.47	0.68	.33**			
		1.01 <sup>b</sup>			0.8			0.96				
Visionary	$\chi^2$ Slope:	9.20**		$\chi^2$ Slope:	9.07*		$\chi^2$ Slope:	3.31				
	0.41	0.77 <sup>a</sup>	.31**	0.26	0.77	.25**	0.38	0.77	.30**			
Inspirational	$\chi^2$ Slope:	4.06		$\chi^2$ Slope:	5.90+		$\chi^2$ Slope:	0.75				
	0.42	0.77	.32**	0.28	0.77	.27**	0.39	0.77	.31**			
Self-Sacrificial	$\chi^2$ Slope:	4.83+		$\chi^2$ Slope:	10.76**		$\chi^2$ Slope:	2.20				
	0.28	0.85	.24**	0.24	0.85	.26**	0.26	0.85	.23**			
Integrity	$\chi^2$ Slope:	5.14+		$\chi^2$ Slope:	9.55**		$\chi^2$ Slope:	1.94				
	0.37	0.79	.29**	0.27	0.79	.27**	0.37	0.79	.30**			
Decisive	$\chi^2$ Slope:	4.13		$\chi^2$ Slope:	3.13		$\chi^2$ Slope:	0.42				
	0.23	0.88	.20**	0.14	0.88	.15**	0.23	0.88	.21**			
Performance oriented	$\chi^2$ Slope:	1.73		$\chi^2$ Slope:	4.87+		$\chi^2$ Slope:	0.06				
	0.36	0.72	.26**	0.31	0.72	.28**	0.37	0.72	.28**			
		1.01			0.8			0.96				

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Leadership Behavior	TMT Dedication											
	Commitment				Effort				Team Solidarity			
	HLM	SD	Corr	HLM	SD	Corr	HLM	SD	Corr	HLM	SD	Corr
	$\chi^2$ Slope:	9.68**		$\chi^2$ Slope:	10.03**		$\chi^2$ Slope:	2.18		$\chi^2$ Slope:	2.18	
<b>Team Oriented</b>	0.47	0.60	.28**	0.32	0.60	.24**	0.48	0.60	.30**	0.96	0.96	
		1.01			0.8			2.00				
	$\chi^2$ Slope:	8.55*		$\chi^2$ Slope:	6.91*		$\chi^2$ Slope:	2.00		$\chi^2$ Slope:	2.00	
Collaborative team orientation	0.19	0.92	.17**	0.1	0.92	.11**	0.18	0.92	.17**	0.96	0.96	
		1.01			0.8			0.27				
	$\chi^2$ Slope:	2.85		$\chi^2$ Slope:	4.30		$\chi^2$ Slope:	0.27		$\chi^2$ Slope:	0.27	
Team integrator	0.33	0.75	.25**	0.25	0.75	.23**	0.35	0.75	.28**	0.96	0.96	
		1.01			0.8							
	$\chi^2$ Slope:	7.30*		$\chi^2$ Slope:	5.69+		$\chi^2$ Slope:	1.32		$\chi^2$ Slope:	1.32	
Diplomatic	0.36	0.78	.28**	0.23	0.78	.22**	0.33	0.78	.27**	0.96	0.96	
		1.01			0.8							
	$\chi^2$ Slope:	5.36+		$\chi^2$ Slope:	12.17**		$\chi^2$ Slope:	0.24		$\chi^2$ Slope:	0.24	
Malevolent	-0.21	0.94	-.19**	-0.13	0.94	-.15**	-0.21	0.94	-.21**	0.96	0.96	
		1.01			0.8							
	$\chi^2$ Slope:	0.89		$\chi^2$ Slope:	0.31		$\chi^2$ Slope:	0.07		$\chi^2$ Slope:	0.07	
Administratively competent	0.3	0.88	.26**	0.21	0.88	.24**	0.3	0.88	.28**	0.96	0.96	
		1.01			0.8							
	$\chi^2$ Slope:	9.17**		$\chi^2$ Slope:	7.96*		$\chi^2$ Slope:	2.78		$\chi^2$ Slope:	2.78	
<b>Participative</b>	0.18	0.77	.14**	0.19	0.77	.18**	0.21	0.77	.17**	0.96	0.96	
		1.01			0.8							



Leadership Behavior	TMT Dedication											
	Commitment				Effort				Team Solidarity			
	HLM	SD	Corr	HLM	SD	Corr	HLM	SD	HLM	SD	Corr	
Participative	$\chi^2$ Slope:	1.99		$\chi^2$ Slope:	2.62		$\chi^2$ Slope:	0.14				
		0.95	.17**		0.95	.20**		0.95	0.17		.17**	
		1.01			0.8			0.96				
Autocratic	$\chi^2$ Slope:	7.14**		$\chi^2$ Slope:	3.14		$\chi^2$ Slope:	3.64				
		0.99	-.11**		0.99	-.09**		0.99	-0.13		-.13**	
		1.01			0.8			0.96				
<b>Humane Oriented</b>	$\chi^2$ Slope:	1.07		$\chi^2$ Slope:	2.24		$\chi^2$ Slope:	0.06				
		0.81	.39**		0.81	.20**		0.81	0.26		.22**	
		1.01			0.8			0.96				
Modesty	$\chi^2$ Slope:	6.14*		$\chi^2$ Slope:	8.23*		$\chi^2$ Slope:	1.95				
		0.75	.13**		0.75	.18**		0.75	0.19		.15**	
		1.01			0.8			0.96				
Humane orientation	$\chi^2$ Slope:	1.86		$\chi^2$ Slope:	5.09+		$\chi^2$ Slope:	2.95				
		0.85	.24**		0.85	.19**		0.85	0.27		.24**	
		1.01			0.8			0.96				
<b>Autonomous</b>	$\chi^2$ Slope:	3.91		$\chi^2$ Slope:	7.69*		$\chi^2$ Slope:	0.01				
		1.05	-.09**		1.05	-.03		1.05	-0.07		-.08	
		1.01			0.8			0.96				
<b>Self-Protective</b>	$\chi^2$ Slope:	1.88		$\chi^2$ Slope:	4.85+		$\chi^2$ Slope:	0.31				
		0.42	.11**		0.42	.10*		0.42	0.23		.10**	
		1.01			0.8			0.96				
	$\chi^2$ Slope:	0.72		$\chi^2$ Slope:	6.82*		$\chi^2$ Slope:	0.12				

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Leadership Behavior	TMT Dedication											
	Commitment						Effort					
	HLM	SD	Corr	HLM	SD	Corr	HLM	SD	Corr	HLM	SD	Corr
Self-Centered	-0.11	1.11	-.12**	-0.03	1.11	-.05	-0.11	1.11	-0.11	1.11	-.12**	
		1.01			0.8			0.96		0.96		
Status conscious	$\chi^2$ Slope:	3.34		$\chi^2$ Slope:	0.89		$\chi^2$ Slope:	0.23	$\chi^2$ Slope:	0.23		
	0.06	0.75	.05	0.04	0.75	.04	0.03	0.75	0.03	0.75	.02	
Internally competitive	$\chi^2$ Slope:	0.34		$\chi^2$ Slope:	1.67		$\chi^2$ Slope:	0.23	$\chi^2$ Slope:	0.23		
	-0.13	0.77	-.10**	-0.12	0.77	-.11**	-0.16	0.77	-0.16	0.77	-.12**	
Face-Saver	$\chi^2$ Slope:	0.02		$\chi^2$ Slope:	0.09		$\chi^2$ Slope:	0.57	$\chi^2$ Slope:	0.57		
	0.14	0.91	.12**	0.05	0.91	.06	0.13	0.91	0.13	0.91	.12**	
Bureaucratic	$\chi^2$ Slope:	0.10		$\chi^2$ Slope:	1.56		$\chi^2$ Slope:	0.41	$\chi^2$ Slope:	0.41		
	0.2	0.87	.17**	0.14	0.87	.15**	0.25	0.87	0.25	0.87	.23**	
	$\chi^2$ Slope:	4.55		$\chi^2$ Slope:	0.40		$\chi^2$ Slope:	6.73**	$\chi^2$ Slope:	6.73**		

Note: The *autonomous* primary leadership dimension is the same as the global *Autonomous* leadership dimension.

HLM = HLM coefficient; SD = standard deviation; Corr = correlation.

<sup>a</sup> Standard deviation for independent variable.

<sup>b</sup> Standard deviation for dependent variable.

N = 998.

\* $p < .05$ . \*\* $p < .01$ .

the *three constituent measures* of TMT Dedication. We also want to point out several aspects of Tables 8.2a and 8.2b, and Tables 8.4a and 8.4b. In Table 8.2a, we present the results of the 6 global leadership dimensions and 21 primary leadership dimensions predicting *overall* TMT Dedication. However, you will note that we present two sets of results for the TMT Dedication measure; one set is for the dependent measures obtained by different sources from those rating the CEO leadership behaviors; the other set is for dependent measures obtained from common sources that also rated the CEO leadership behavior. Subsequently, Table 8.2b shows the effectiveness of both the 6 global and 21 primary leadership behaviors for the *three constituent measures comprising* TMT Dedication. The same organization scheme is found for the Firm Competitive Performance measures in Tables 8.4a and 8.4b. Note that the outcome data for all analyses presented in this book were obtained *only* from different sources from those that rated the CEO leadership behavior (with the exception of results presented in Table 8.2a for “common sources”).

A second point is that some of the tables include results that test for the moderating effect of culture (i.e., nations or countries). A  $\chi^2$  index indicates *slope* differences across countries between the leader behavior-outcome measure relationships. It provides evidence as to whether the relationship between the leadership behavior and the dependent measure varies across countries—a typical test for the moderating impact of culture. Table 8.2a presents the HLM correlations along with the slope index because the focus of this table is on leadership effectiveness, whether leadership effectiveness of each leadership dimension varies across cultures, and the extent to which results differ using different sources or common sources. We need to be cognizant, however, of assuming that *cross-national differences* truly reflect *cross-cultural differences*. This issue of cross-national versus cross-cultural differences has been referred to as the fundamental methodological issue stemming from the “rival hypothesis confound” (Brett, Tinsley, Janssens, Barsness, & Lytle, 1997). Essentially besides culture, a myriad of other cross-national factors including technological, political, economic, and organizational factors may influence organizational behavior (Dorfman, 2004). We will have more to say about “the rival hypothesis confound” later in the book. In this chapter, however, we are setting the stage to consider whether cross-national effects are evident regarding leadership-behavior outcomes. The complete HLM analyses for TMT Dedication with HLM coefficients, standard deviations (*SDs*), correlations, and  $\chi^2$  slopes are presented in Appendix 8.1.

Third, our primary analyses are very conservative indicators of leadership effectiveness as the data were collected and analyzed to completely eliminate common source variance i.e., separate TMT members rated CEO leadership behaviors from those whose ratings comprised the

Dedication and Firm Performance measure. It is however possible, and in fact, desirable to also provide results using data from the same source<sup>4</sup> (but possibly introducing common source biases). As previously indicated, Table 8.2a presents results from data obtained by both different source and common sources.

By examining the results in Table 8.2a, one is immediately struck by the obvious fact that leadership effectiveness clearly depends on the specific leadership behavior in question. For our discussion presented here, we rely on the data obtained from different sources—thereby eliminating the potential bias caused by same sources. (Note, however, that as a general approximation, the size of the correlations using common sources is approximately twice the size as compared to results with different sources.) With respect to TMT Dedication, the global leadership behaviors fall into identifiable groups of general effectiveness. The Charismatic and Team-Oriented behaviors are most predictive of TMT Dedication ( $r = .37$  and  $r = .32, p < .01$ ) followed by Humane-Oriented and Participative behaviors ( $r = .25$  and  $r = .21, p < .01$ ). Autonomous leadership has a weak but significant *negative* effect ( $r = -.07, p < .05$ ) and the Self-Protective behavior seems to have no effect at all ( $r = .05, p$  is ns). Table 8.3 lists the rank order of the primary leadership dimensions in predicting TMT Dedication.

### Charismatic and Team-Oriented Leadership Predicting Top Management Team Dedication

Starting with the two most influential global leadership behaviors (i.e., Charismatic and Team-Oriented), Table 8.2a indicates that the more fine-tuned analysis of the 21 primary behaviors within the 6 global behaviors reveals some interesting facts. All six primary leadership behaviors of the

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<sup>4</sup>Our rationale for analyzing and then presenting data taken from common sources includes the following: First, the findings with same sources show that the different source findings are clearly conservative estimates. The same source findings are approximately double that of our different source findings. However, the findings that we rely on (i.e., different source) are likely to reflect the lower bound of leadership influence. Second, and related to the first point, the correlations reported for different sources are conservative given that they have not been corrected for unreliability (i.e., intraclass correlation coefficients [ICC(2)] for the leadership and outcome variables). Third, we obtained additional information using common source regarding HLM moderation by culture. Considering both results, our findings support the impact of several leadership behaviors being moderated by culture. Fourth, we have explored the magnitude of common method and source variance in our study. Recent articles have suggested that common method bias may be overstated and go so far as to call it “an urban legend” (Spector, 2006). While in the present study, our results may initially look like common source bias had a large effect; Spector (2006) cautioned that using different sources might actually attenuate valid relationships.

**Table 8.3** Rank Order of Primary CEO Leadership Behaviors Predicting TMT Dedication

TMT Dedication		
Rank	Leadership Behavior	Correlation
1	Inspirational	.36**
2.5	Visionary	.35**
2.5	Integrity	.35**
4	Performance oriented	.33**
5.5	Administratively competent	.31**
5.5	Diplomatic	.31**
7	Self-Sacrificial	.29**
8	Humane orientation	.26**
9	Team integrator	.24**
10.5	Decisive	.23**
10.5	Bureaucratic	.23**
12.5	Participative	.22**
12.5	Malevolent	-.22**
14	Internally competitive	-.19**
15	Collaborative team orientation	.18**
16	Modesty	.17**
17	Autocratic	-.12**
18.5	Status conscious	.11**
18.5	Self-Centered	-.11**
20	Autonomous	-.07*
21	Face-Saver	.06

*Note:* This table shows the bivariate correlations. Each leadership dimension predicts the dependent variable one at a time.

$N = 998$ .

\* $p < .05$ . \*\* $p < .01$ .

Charismatic global dimension are influential. Visionary, inspirational, and integrity leadership dimensions lead this group in terms of effectiveness ( $r = .35$  and  $r = .36$ , respectively,  $p < .01$ ). If we examine the effects of these

two most powerful leadership dimensions on each of the three constituent measures of TMT Dedication, perhaps not surprisingly, Charismatic leadership tops the list with Team-Oriented following closely behind (see Table 8.2b). The Charismatic CEO behavior had significant impacts on each of the three dependent measures and with only one exception: the size of the relationship was strongest among all leadership-outcome relationships. But, interestingly, there were differences among nations for the dependent variables of TMT Commitment and TMT Effort as evidenced by significant moderation ( $\chi^2$  slopes) for these two dependent measures.

For Team-Oriented leadership, two of the constituent leadership behaviors are as influential as the global Team-Oriented behavior (where  $r = .32, p < .01$  for the global leadership behavior). But perhaps surprisingly, these two behaviors are likely not what one would expect; they are diplomatic and administratively competent ( $r = .31, p < .01$  for both). We believe this is a very important finding as it reinforces Henry Mintzberg's (2004, 2009) admonition that managerial competence is as important as the current zeitgeist emphasizing *leadership*.

Another interesting finding emerges when considering the two primary dimensions of collaborative team orientation and team integrator within the global Team-Oriented dimension. The latter is considerably more impactful than the former and can be explained by examining the actual behaviors within each dimension. For collaborative team orientation ( $r = .18, p < .01$ ), the behavioral items indicate a leader who is concerned with the welfare of the group, is collaborative, and loyal. For the team integrator dimension ( $r = .24, p < .01$ ), this leader gets members to work together and integrates members into a cohesive and working whole. In a sense, the active nature of team integration is seen as being slightly more effective than the passive concern of team welfare. We further note that the dimension labeled *malevolent* is predictably negative in its effect ( $r = -.22, p < .01$ ), demonstrating the negative effect of leaders who are deceitful, punitive, and believe the worst in people.

### Participative, Humane-Oriented, Autonomous, and Self-Protective Leadership Predicting Top Management Team Dedication

The Participative global dimension holds no surprises when examining the constituent parts: Each primary dimension makes sense as the participative primary dimension is positive in its effects ( $r = .22, p < .01$ ), and the autocratic dimension is significantly negative ( $r = -.12, p < .01$ ). Participative leadership also had a positive effect for all three constituent measures, and its impact did not vary across countries.

The global Humane-Oriented dimension also holds no surprises when examining the constituent dimensions where both are positive in their influence. However, modesty ( $r = .17, p < .01$ ) seems to be slightly less impactful than the humane-oriented ( $r = .26, p < .01$ ) primary dimension. The Autonomous global dimension is identical to its primary dimension since they are

one and the same. It has a small but significant negative effect on TMT Dedication ( $r = -.07, p < .05$ ).

The Self-Protective global dimension is perhaps the most interesting when examining the effectiveness of its primary constituent parts. The overall effectiveness of the global Self-Protective dimension is negligible ( $r = .05$  ns). However, two of the primary dimensions within this global leadership dimension have a positive effect (status conscious and bureaucratic,  $r = .11$  and  $r = .23, p < .01$ , respectively). In contrast, the self-centered and internally competitive primary dimensions have a significant negative effect ( $r = -.11$  and  $r = -.19, p < .01$ , respectively).

The primary dimension of face-saving has a negligible effect ( $r = .06$  ns). Thus, a more fine-grained analysis of the Self-Protective global dimension yields meaningful differences where four of the five primary dimensions have significant effects but two are positive and two are negative. Perhaps surprisingly, we found a complete absence of HLM slope effects, which would have indicated different relationships among countries. Simply put, the negative effects of being self-centered and fomenting internally competitive conflict within the group is equal across cultures as is the positive effects of status conscious and bureaucratic across cultures. Explaining the positive effects of being status conscious and bureaucratic tendencies are difficult from a Western perspective, but it becomes more understandable when examining the actual behaviors within each leadership dimension (see Chapter 4 for leadership item examples and all items in Appendix A at the end of the book). For instance, “being aware of others’ socially accepted status” and “acts accordingly to ones’ status” can make social interactions less stressful. For the primary dimension of bureaucratic, which anecdotal evidence has a generally negative connotation worldwide, the actual items for this dimension in our survey do not carry the same baggage as the term itself. As an example, the behavior “follows established rules and guidelines” would be characteristic of a bureaucratic organization. This CEO behavior might be perceived positively by TMT members since an overlooked positive aspect of bureaucracies is that rules and procedures are more likely to supersede personality differences and familial favoritism.

Interestingly, the strongest leadership-outcome relationship occurred for Humane-Oriented leadership when considering the TMT Commitment-dependent measure. The Autonomous global leadership behavior had a neutral or slightly negative impact. But the Self-Protective leadership behavior had a slight positive impact for each of the constituent measures. Yet if you recall from Table 8.2a, the overall Self-Protective had a negligible effect for the overall TMT Dedication measure.<sup>5</sup>

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<sup>5</sup>This might be due to the increase in variance attributable to more reliable composite scores as opposed to the variance associated with the scores comprising the composite itself. If the relationship between the dependent variable and the composite score is at the margin of significance, then a unique situation could occur in which a relationship is found to be significant with the constituent dependent variables but not with their composite.

## Summary of CEO Leadership Influence on Top Management Team Dedication

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- As a group, CEOs worldwide are given moderately high marks in effectiveness in terms of TMT Dedication.
- The global CEO Charismatic leadership behavior is consistently the most impactful leadership behavior on TMT Dedication. CEO Team-Oriented behavior is the next most important and then followed by Humane-Oriented leadership behaviors. Participative leadership is moderately important.
  - With regard to Charismatic leadership, the most influential CEO behaviors were visionary, inspirational, integrity, and performance oriented.
  - With regard to Team-Oriented leadership, a leader who is active in developing an integrative team (i.e., team integrator) may be more effective than a leader who is simply well meaning and supportive of group welfare (collaborative orientation).
  - Humane-Oriented leadership was particularly important for TMT Commitment.
  - Autonomous leadership is generally ineffective as it has a small but negative relationship with TMT Dedication. Self-Protective leadership may be positive or negative depending on the constituent primary leadership behaviors (bureaucratic is positive whereas self-centered is negative).

## Which CEO Leadership Behaviors Predict Firm Competitive Performance?

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Recall that the Firm Competitive Performance measure was our summary externally oriented variable. Our results show that three global leadership behaviors predict Firm Competitive Performance (Charismatic, Team-Oriented, and Humane-Oriented global leadership; see Tables 8.4a and 8.4b). Charismatic leadership had the strongest overall positive effect of  $r = .26$  ( $p < .01$ ). Team-Oriented leadership also had a positive impact on Firm Competitive Performance ( $r = .23$ ,  $p < .01$ ). Humane Oriented had a significant but smaller impact on Firm Competitive Performance than the other two global factors ( $r = .14$ ,  $p < .05$ ). None of the other global leadership behaviors had an impact on Firm Competitive Performance.

## Summary of CEO Leadership Influence on Firm Competitive Performance

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- CEOs are perceived to be moderately successful in terms of Firm Competitive Performance.



**Table 8.4a** CEO Leadership Behaviors Predicting Firm Competitive Performance

Leadership Behaviors	Firm Competitive Performance			
	HLM	SD	Correlation	$\chi^2$ Slope
<b>Charismatic</b>	<b>0.30</b>	<b>0.68 0.80</b>	<b>.26**</b>	<b>2.29</b>
Visionary	0.30	0.77 0.80	.29**	2.09
Inspirational	0.20	0.77 0.80	.19**	2.58
Self-Sacrificial	0.12	0.85 0.80	.13*	1.89
Integrity	0.16	0.79 0.80	.16*	1.23
Decisive	0.21	0.88 0.80	.23**	2.51
Performance oriented	0.18	0.72 0.80	.16*	1.96
<b>Team Oriented</b>	<b>0.30</b>	<b>0.60 0.80</b>	<b>.23**</b>	<b>3.06</b>
Collaborative team orientation	0.12	0.92 0.80	.14*	0.60
Team integrator	0.28	0.75 0.80	.26**	4.68†
Diplomatic	0.16	0.78 0.80	.16*	1.58
Malevolent	-0.09	0.94 0.80	-.11	1.27
Administratively competent	0.22	0.88 0.80	.24**	3.99
<b>Participative</b>	<b>0.05</b>	<b>0.77 0.80</b>	<b>.05</b>	<b>0.05</b>
Participative	0.01	0.95 0.80	.01	0.57
Autocratic	-0.05	0.99 0.80	-.06	0.00
<b>Humane Oriented</b>	<b>0.14</b>	<b>0.81 0.80</b>	<b>.14*</b>	<b>3.33</b>
Modesty	0.14	0.75 0.80	.13†	6.12*

(Continued)

(Continued)

Leadership Behaviors	Firm Competitive Performance			
	HLM	SD	Correlation	$\chi^2$ Slope
Humane orientation	0.09	0.85 0.80	.10	0.70
<b>Autonomous</b>	<b>-0.08</b>	<b>1.05</b> <b>0.80</b>	<b>-.11</b>	<b>1.13</b>
<b>Self-Protective</b>	<b>-0.03</b>	<b>0.42</b> <b>0.80</b>	<b>-.02</b>	<b>1.05</b>
Self-Centered	-0.04	1.11 0.80	-.06	0.13
Status conscious	0.04	0.75 0.80	.04	0.73
Internally competitive	-0.05	0.77 0.80	-.05	0.28
Face-Saver	0.01	0.91 0.80	.01	2.50
Bureaucratic	0.04	0.87 0.80	.04	5.59†

*Note:* The *autonomous* primary leadership dimension is the same as the global *Autonomous* leadership dimension.

HLM = HLM coefficient; *SD* = standard deviation.

<sup>a</sup> Standard deviation for independent variable.

<sup>b</sup> Standard deviation for dependent variable.

*N* = 255.

†  $p < 0.10$ . \* $p < .05$ . \*\* $p < .01$ .

**Table 8.4b** CEO Leadership Behaviors Predicting Two Constituent Measures of Firm Competitive Performance

Leadership Behavior	Firm Competitive Performance					
	Competitive Sales Performance			Competitive Industry Dominance		
	HLM	SD	Corr	HLM	SD	Corr
Charismatic	0.46	0.68 <sup>a</sup>	.20*	0.37	0.68	.16**
		1.64 <sup>b</sup>			1.1	
	$\chi^2$ Slope:	0.41		$\chi^2$ Slope:	1.88	
Visionary	0.52	0.77 <sup>a</sup>	.24**	0.40	0.77	.28**
		1.64 <sup>b</sup>			1.10	
	$\chi^2$ Slope:	0.82		$\chi^2$ Slope:	2.44	

Leadership Behavior	Firm Competitive Performance					
	Competitive Sales Performance			Competitive Industry Dominance		
	HLM	SD	Corr	HLM	SD	Corr
Inspirational	0.27	0.77	.13†	0.24	0.77	.17*
		1.64			1.10	
	$\chi^2$ Slope:	0.43		$\chi^2$ Slope:	1.91	
Self-Sacrificial	0.24	0.85	.12	0.13	0.85	.10
		1.64			1.10	
	$\chi^2$ Slope:	1.44		$\chi^2$ Slope:	2.79	
Integrity	0.32	0.79	.15*	0.17	0.79	.12†
		1.64			1.10	
	$\chi^2$ Slope:	0.54		$\chi^2$ Slope:	1.51	
Decisive	0.27	0.88	.14*	0.24	0.88	.19**
		1.64			1.10	
	$\chi^2$ Slope:	0.26		$\chi^2$ Slope:	1.54	
Performance oriented	0.22	0.72	.10	0.31	0.72	.20**
		1.64			1.10	
	$\chi^2$ Slope:	0.05		$\chi^2$ Slope:	1.64	
<b>Team Oriented</b>	0.42	0.60	.16*	0.40	0.60	.15**
		1.64			1.1	
	$\chi^2$ Slope:	0.44		$\chi^2$ Slope:	4.80+	
Collaborative team orientation	0.09	0.92	.05	0.21	0.92	.17*
		1.64			1.10	
	$\chi^2$ Slope:	0.02		$\chi^2$ Slope:	3.17	
Team integrator	0.35	0.75	.13*	0.35	0.75	.19*
		1.64			1.10	
	$\chi^2$ Slope:	0.50		$\chi^2$ Slope:	6.53	
Diplomatic	0.26	0.78	.12†	0.16	0.78	.12
		1.64			1.10	
	$\chi^2$ Slope:	1.06		$\chi^2$ Slope:	1.87	
Malevolent	-0.15	0.94	-.08	-0.11	0.94	-.10
		1.64			1.10	
	$\chi^2$ Slope:	2.61		$\chi^2$ Slope:	0.17	

(Continued)

(Continued)

Leadership Behavior	Firm Competitive Performance					
	Competitive Sales Performance			Competitive Industry Dominance		
	HLM	SD	Corr	HLM	SD	Corr
Administratively competent	0.31	0.88	.17*	0.24	0.88	.19*
		1.64			1.10	
	$\chi^2$ Slope:	0.63		$\chi^2$ Slope:	8.93*	
<b>Participative</b>	0.14	0.77	.07	0.06	0.77	.03
		1.64			1.1	
	$\chi^2$ Slope:	0.00		$\chi^2$ Slope:	0.54	
Participative	0.04	0.95	.02	0.04	0.95	.04
		1.64			1.10	
	$\chi^2$ Slope:	0.54		$\chi^2$ Slope:	1.27	
Autocratic	-0.09	0.99	-.06	-0.04	0.99	-.03
		1.64			1.10	
	$\chi^2$ Slope:	0.30		$\chi^2$ Slope:	0.10	
<b>Humane Oriented</b>	0.25	0.81	.13*	0.16	0.81	.08†
		1.64			1.1	
	$\chi^2$ Slope:	0.71		$\chi^2$ Slope:	2.82	
Modesty	0.21	0.75	.11†	0.14	0.75	.11
		1.64			1.10	
	$\chi^2$ Slope:	1.10		$\chi^2$ Slope:	3.92	
Humane orientation	0.16	0.85	.08	0.10	0.85	.07
		1.64			1.10	
	$\chi^2$ Slope:	0.14		$\chi^2$ Slope:	1.33	
<b>Autonomous</b>	-0.08	1.05	-.05	-0.10	1.05	-.10
		1.64			1.10	
	$\chi^2$ Slope:	0.41		$\chi^2$ Slope:	3.96	
Self-Protective	0.14	0.42	.04	-0.09	0.42	-.02
		1.64			1.1	
	$\chi^2$ Slope:	1.23		$\chi^2$ Slope:	6.79*	
Self-Centered	0.11	1.11	.07	-0.13	1.11	-.13*
		1.64			1.10	
	$\chi^2$ Slope:	0.08		$\chi^2$ Slope:	0.20	

Leadership Behavior	Firm Competitive Performance					
	Competitive Sales Performance			Competitive Industry Dominance		
	HLM	SD	Corr	HLM	SD	Corr
Status conscious	0.04	0.75	.02	0.08	0.75	.05
		1.64			1.10	
	$\chi^2$ Slope:	1.39		$\chi^2$ Slope:	0.03	
Internally competitive	-0.10	0.77	-.06	-0.07	0.77	-.06
		1.64			1.10	
	$\chi^2$ Slope:	2.67		$\chi^2$ Slope:	0.29	
Face-Saver	-0.04	0.91	-.02	0.02	0.91	.02
		1.64			1.10	
	$\chi^2$ Slope:	1.25		$\chi^2$ Slope:	7.79*	
Bureaucratic	0.09	0.87	.05	0.00	0.87	.00
		1.64			1.10	
	$\chi^2$ Slope:	0.18		$\chi^2$ Slope:	6.05*	

Note: The *autonomous* primary leadership dimension is the same as the global *Autonomous* leadership dimension.

HLM = HLM Coefficient; SD = standard deviation; Corr = correlation.

<sup>a</sup> Standard deviation for independent variable.

<sup>b</sup> Standard deviation for dependent variable.

N = 255.

†  $p < 0.10$ . \* $p < .05$ . \*\* $p < .01$ .

- CEO Charismatic leadership was the most impactful leadership behavior predicting Firm Competitive Performance. Team-Oriented behavior was also important.
  - With regard to Charismatic leadership, visionary leadership is the most critical aspect, but all primary dimensions of our Charismatic leadership factor were related to Firm Competitive Performance (see Table 8.5).
  - With regard to Team-Oriented leadership, team integrator and administratively competent were the most important primary leadership dimensions followed by diplomatic and collaborative.
- Humane-Oriented leadership was less predictive of Firm Competitive Performance compared to either Charismatic or Team-Oriented leadership.

- Similar to the TMT Dedication findings, a leader who is active in developing an integrative team (i.e., team integrator) may have a more competitive firm than a leader who is just well-meaning and supportive of group welfare (i.e., collaborative).
- Participative, Autonomous, and Self-Protective leadership were not important behaviors predicting Firm Competitive Performance.

**Table 8.5** Rank Order of Primary CEO Leadership Behaviors Predicting Firm Competitive Performance

Rank	Leadership Behavior	Correlation
1	Visionary	.29**
2	Team integrator	.26**
3	Administratively competent	.24**
4	Decisive	.23**
5	Inspirational	.19**
6	Performance oriented	.16*
7	Integrity	.16*
8	Diplomatic	.16*
9	Collaborative team orientation	.14*
10	Self-Sacrificial	.13*
11	Modesty	.13†

Note:  $N = 255$ .

†  $p < .10$ . \* $p < .05$ . \*\* $p < .01$ .

This table shows the bivariate correlations. Each leadership dimension predicts the dependent variable one at a time.

## Evidence of Leadership Impact Moderated by Culture

In Tables 8.2a and 8.2b, there is some evidence (i.e., a statistical trend) for differences among the three HLM slopes regarding the influence of the global Charismatic, Team-Oriented, and Humane-Oriented leadership behaviors on TMT Dedication ( $p < .10$ ). Recall that a significant slope indicates that the leadership effects differ across countries, but cultural differences may only be partially responsible for cross-national differences. Part of our rationale for presenting the results using “common sources” in addition to the primary results using different source data was to provide additional evidence regarding cultural variability. Several findings stand out when comparing the dual results for common and different sources. First, the trend for

the global Charismatic and Team-Oriented leadership dimensions to vary across cultures for different sources was not replicated using common source data (see Table 8.2a). However, moderator effects for the Humane-Oriented dimension increased in significance from a trend ( $p < .10$ ) to being significant ( $p < .01$ ). In addition, moderator effects for the two primary leadership dimensions of performance oriented and administratively competent were significant for both common and different source analyses. These replicated findings lend additional credence to earlier findings regarding differential leadership impact across cultures.

Even though we generally conclude that the impact of Charismatic leadership does not vary across cultures, we find intriguing results when examining the six primary dimensions comprising the global Charismatic leadership behavior. Only the primary dimension of performance oriented varied in impact across cultures for both data sources (see Table 8.2a). However, there were differential impacts of the primary Charismatic leadership behaviors for each of the three TMT Dedication measures. Considering TMT Effort, five of the six Charismatic leadership-outcome relationships were moderated by national culture (all but integrity). Considering TMT Commitment, three of the six leadership-outcome relationships were moderated by national culture (a trend for inspirational and self-sacrificial and statistical significance for performance oriented). Considering TMT Team Solidarity, none of the leadership-outcome relationships were moderated by national culture for the dependent measure of TMT Team Solidarity—that is, all Charismatic primary leadership behavior impacts Team Solidarity equally across countries.

## Integrating GLOBE Empirical Findings With Previous Literature

### GLOBE Insights Into Charismatic Leadership

Popular business trade magazines often promote the notion that charismatic and transformational (C/T) leadership is universally desirable. The management research literature is more nuanced in pointing out that there are dark sides to Charismatic leadership as well as the often-portrayed bright side (Conger, 1990). Nevertheless, as reviewed in Chapter 2, the totality of findings indicates that charismatic and transformational (C/T) leadership are routinely endorsed, and leaders who enact these qualities tend to be more successful than those who don't. Alternatively, the dark side of charismatic leadership can be found in notorious cult leaders such as Jim Jones (leader of the People's temple) or David Koresh (leaders of the Branch Davidians). The real-life example of Steve Jobs, the late founder and CEO of Apple, also is relevant to both sides of charismatic leadership. His great successes at Apple through visionary leadership are legendary, but less well known was his aggressive and demanding leadership style where he

accepted nothing less than perfection. His searingly intense personality frequently instilled fear in his employees accompanied with an intense eagerness to please (Isaacson, 2011).

Before this GLOBE project, we simply didn't have enough evidence to determine if CEO Charismatic leadership is universally effective or varies in importance and impact across cultures. Nor did we know if the same set of leadership behaviors could capture the essence of Charismatic leadership. The measurement equivalence results presented in Chapter 6 shows that our measure of Charismatic leadership is meaningfully interpreted the same way across countries. Further, our results conclusively show that considering TMT Dedication and Firm Competitive Performance together, it was an extremely effective leadership behavior. Furthermore, as discussed previously, each of the six primary leadership dimensions comprising Charismatic leadership were almost equally effective as the global Charismatic dimension when predicting TMT Dedication. The primary Charismatic factors of visionary and inspirational leadership were very important for both TMT Dedication and Firm Competitive Performance. As shown in Table 8.3 and Table 8.5, inspirational and visionary leadership behaviors were among the top five ranked CEO leadership behaviors impacting both TMT Dedication and Firm Competitive Performance. The other primary leadership behaviors were also important for TMT Dedication and Firm Competitive Performance but varied in leadership impact.

Our conclusion is that Charismatic leadership likely constitutes a "nearly universal" leadership behavior (i.e., universally important but varies somewhat as to its effectiveness depending on culture). Recall that our results show that it is universally effective for both internally oriented dependent measures of TMT Dedication as well as externally oriented measures of Firm Competitive Performance. Interestingly, as indicated in Table 8.2b, the global Charismatic dimension varies in impact for the TMT Commitment and Effort dependent variables but not the TMT Team Solidarity variable. Thus, the global Charismatic dimension is likely at least a variform functional universal (always important but varies in importance across cultures). The additional secondary analyses conducted on TMT Dedication—but using same-source evidence—provides further information regarding the near universality of this leadership behavior (i.e., it is not moderated greatly by culture).

However, it is very important for us to point out that our view of Charismatic leadership is very different from the use of this term in the popular press. A charismatic leader has become synonymous with a leader who is flamboyant, showy, and captivating and who often exists within the political arena. For GLOBE, Charismatic leadership embodies the leadership characteristics of vision, inspiration, performance oriented, decisive, and high integrity. This person may be exemplary but does not have to be superman nor exemplify a flashy and over-the-top demeanor. According to our



criteria, both Bill Gates of Microsoft fame and Warren Buffett of Berkshire Hathaway qualify as outstanding charismatic leaders; neither is flashy and showy yet both embody many of the qualities found in the GLOBE Charismatic leadership behavior (i.e., visionary, performance oriented, integrity, and decisive). Both have achieved success as business leaders and philanthropists but neither considers himself charismatic.

For the primary leadership dimensions constituting Charismatic leadership, we can also ask and answer the same question regarding cross-cultural variability as we did for the global Charismatic dimension in the previous paragraph. Are the constituent leadership dimensions equally important across all cultures? Results presented in Table 8.2b reveal that almost all of the primary Charismatic dimensions vary across cultures but only for the TMT Effort dependent variable, somewhat for the TMT Commitment dependent variable, and not at all for the TMT Team Solidarity dependent variable. Again, we now feel confident that Charismatic leadership should be considered a nearly universal effective leadership dimension. It is universally effective for both internally oriented dependent measures of TMT Dedication as well as externally oriented measures of Firm Competitive Performance.

Thus, one can be confident that leaders who engage in a variety of charismatic behaviors will have TMT team members who work well together, in any culture. We should note that when viewing the actual behaviors in the GLOBE survey, our findings regarding Charismatic leadership is close to the concept of transformational leadership in the literature. This literature indicates that leaders should aspire to inspire, motivate, and expect high performance outcomes from their TMT. GLOBE researchers also portray Charismatic leadership including additional leadership behaviors constituting high integrity and decisiveness.

## GLOBE Insights Into Team-Oriented Leadership

The variety of teams prevalent in modern organizations precludes a simplistic perspective when reviewing the literature with regards to successful team leadership. Leadership that works best for cross-functional teams, self-managed teams, top-level executive teams, and virtual teams certainly may differ. Our prior literature review was made more difficult because of this variety. In addition, to best understand the prior literature review of Team-Oriented leadership from a cross-cultural perspective (in Chapter 2), we should remain cognizant that most empirical studies of team leadership employ leadership measures not specifically designed to directly test the importance of Team-Oriented leader behaviors but instead use commonly found measures in the leadership literature. For instance, the Wendt, Euwema, and Van Emmerik (2009) study employs measures of supportive and directive leadership in their study of team cohesiveness. Similarly,

Jung, Butler, and Baik (1998) found that transformational leadership in Korea was highly correlated with group cohesiveness. To muddy the concept further, team leadership functions may include planning, organizing, networking, representing, and engaging in team development.

It should be obvious by now that the present GLOBE study differs from previous cross-cultural studies in that GLOBE researchers developed new measures of Team-Oriented leadership instead of employing leadership measures found in the literature that are more tangential to team effectiveness (e.g., supportive leadership). Second, we developed separate measures for each facet of Team-Oriented leadership to match the fivefold dimension structure of this leadership dimension found in GLOBE 2004. That structure included the following primary dimensions of Team-Oriented behaviors: collaborative team orientation, team integration, diplomatic management of teams, malevolent team leadership (reverse scored), and administratively competent management.

According to country-level ratings regarding leadership expectations across countries (House, Hanges, Javidan, Dorfman, & Gupta, 2004), the global Team-Oriented dimension is perceived to be at least *somewhat important* in enhancing effective leadership. Its moderately positive ratings and country variability for the GLOBE culturally endorsed implicit leadership theories (CLTs), however, begs the question as to its universality. That is, all cultures had absolute scores exceeding 5.00, and most exceeded 5.60 of the GLOBE 7-point scale of qualities leading to outstanding leadership. When examining the results, the Southern Asia, Confucian Asia, Eastern Europe, and Latin America clusters reported Team-Oriented leadership to be particularly critical for effective leadership. This comports with the generally believed contributions of collectivist values for these parts of the world. Nevertheless, extensive teamwork is the norm in organizations worldwide whether it is in manufacturing (e.g., all major automobile manufacturers use cross-functional teams including Honda, Toyota, Nissan, BMW, GM, Ford, Chrysler [Robbins & Judge, 2011]) or service organizations (e.g., a Merrill Lynch team reduced the number of days to open a cash management account [Bodinson & Bunch, 2003]).

Considering our overall measure of TMT Dedication (presented in Table 8.2a), the global Team-Oriented behaviors were the second most impactful CEO behavior following that of Charismatic leadership. The Team-Oriented global measure also predicted our externally oriented dependent measure of Firm Competitive Performance. Administratively competent and diplomatic primary behaviors were important for both TMT Dedication and Firm Competitive Performance. They were ranked evenly (rank = 5.5), predicting TMT Dedication and third and seventh predicting Firm Competitive Performance. Our finding on the importance of administrative competence supports Mintzberg's (2006) suggestion that "separating leadership from management is part of the problem. . . Does anyone want to work for a manager who lacks the

qualities of leadership . . . ? Well, how about a leader who doesn't practice management?"

Furthermore, there is little evidence that this global dimension, like that of the global Charismatic dimension, varies in impact across cultures. Table 8.2a indicates that only the primary dimension of administratively competent of the Team-Oriented dimension varies across cultures. Interestingly, statistical findings regarding cultural variability are much stronger in Table 8.2b when examining the more specific dependent measures making up the overall TMT Dedication measure. In this table, the Team-Oriented dimension varies in influence for predicting TMT Commitment and Effort, but not for Team Solidarity. The universal impact of Team-Oriented to create team solidarity makes conceptual sense. Recall that in the previous section concerning Charismatic leadership, similar results were found for the universal positive effect considering the specific dependent measure of TMT Team Solidarity.

Another important finding related to the Team-Oriented factor is that of the two primary dimensions of collaborative team orientation and team integrator (within the global Team-Oriented dimension). As pointed out earlier, the latter is more impactful than the former. In fact, the team integrator dimension ranked second in terms of impact on Firm Competitive Performance. Thus, what is most critical is the active component of team leadership—that of getting members to work together, communicating and explaining what is expected, and integrating members into a cohesive and working whole. While a leader who is concerned with the welfare of the group is collaborative and loyal is also important, these “feel-good” behaviors are a little less important to creating an effective team than the hands-on effort to generate a working team.

While the team integrator and collaborative dimensions are intuitively obvious aspects of a Team-Oriented leadership dimension, there are two others that require an explanation as they are less intuitively obvious primary dimensions of the global Team-Oriented leadership dimension. The “diplomatic” primary dimension describes leaders who are diplomatic and skilled at interpersonal relations. The survey items asked about leaders who identify solutions that satisfy individuals with conflicting interests, and can also maintain good relationships with others. Clearly, these are important in developing and maintaining effective teams. The reverse scored “malevolent” dimension refers to leaders who are not dishonest, deceitful or punitive and vengeful. It would be hard to envision a leader who can effectively manage teams with negative traits characteristic of malevolent leadership.

Earlier in the book, we stated that while teams are ubiquitous in modern organizations worldwide, we are ignorant of potential cultural influences in how leadership processes vary in successfully directing team members. The results of our CEO study presented so far clarifies our knowledge regarding critical leadership processes for team success. This is true whether we are considering the outcomes important to employees (e.g., TMT Commitment)

as well as those leading to successful firm performance (i.e., Firm Competitive Performance). We now know that Team-Oriented leadership is critical to personal outcomes as well as company effectiveness. The actual impact may, however, vary across cultures, particularly with respect to employee commitment and effort but steady with regard to team solidarity.

### **GLOBE Insights Into Participative Leadership**

Employees in the United States typically desire to have an input in the management decision-making process. The extent to which leaders ask for, receive answers to, and make use of employee input is often a topic of considerable discussion around the proverbial office watercooler. Yet supervisors often struggle with the extent to which subordinates should participate and become involved in organizational decisions. Conversely, employees often complain about leaders who either ignore their ideas or alternatively hold lengthy meetings seeking extensive discussion and input even for trivial matters. Is this desire for input for many organizational decisions similar in all countries? Anecdotal evidence suggests that it does not have the same cache in all cultures nor for all problem situations even within a single culture that treasures participative leadership such as in the United States.

We noted in Chapter 2 that participatory leadership is often described in terms of a continua, where extremes are characterized from decisions made by supervisors without asking for input by others (i.e., autocratic and/or directive leadership) to subordinates being given complete authority and responsibility (i.e., delegation). Participation falls somewhere in between and may take the form of consultation and/or joint decisions to arrive at a conclusive decision. Notable leaders such as Nelson Mandela (showing a participative governing style as president of South Africa), Abraham Lincoln (demonstrating a participative approach to problem solving with cabinet members during the Civil War), and Mary Kay Ash (using extensive participation with directors in her cosmetics company) have all been described as demonstrating high levels of participatory decision making (Howell, 2013).

Much of the early research in participation and decision making uses the conceptualization of participation being a continuum (cf. Heller & Wilpert, 1981; Vroom & Jago, 1988). Contemporary studies of participatory leadership have extended the conceptualization of participation noting that differing “species” of participation exist even in countries that highly espouse participatory management (Brodbeck & Eisenbeiss, in press). Depending on how participation is manifested, it may be prescribed in national labor laws regarding the structural organization of labor and management or more linked to actual participatory leadership that is contrasted from autocratic and directive leadership.

The effects of participative leadership have been the object of hundreds, if not thousands, of studies, but as noted by Yukl (2013), “the results from research on the effects of participative leadership are not sufficiently strong and consistent enough to draw any firm conclusions . . . [it] sometimes results in higher satisfaction, effort, and performance, and at other times it does not” (p. 111). The difficulty of developing conclusions regarding the effectiveness of participatory leadership is compounded when considering it from a cross-cultural perspective. We can look at the GLOBE project to further examine the complexity of this leadership behavior.

Early on in the GLOBE project, we demonstrated that culture clusters varied considerably in the *endorsement* of these leadership dimensions. Participative leadership was highly desired in societies that value Performance Orientation, Gender Egalitarianism, and Humane Orientation but less so for societies with high cultural values for Power Distance, Uncertainty Avoidance, and Assertiveness. Thus, the Germanic European and Anglo cultures were strong supporters of Participative leadership whereas the Confucian Asian and Eastern European cultures were less supportive of this leadership style.

Similar to GLOBE 2004 (House et al., 2004), the participatory leadership dimension in the present project reflected our two primary leadership dimensions: participative and autocratic (reverse scored). Our leadership behavior measures in the present project were carefully crafted and closely reflected the degree to which managers involve others in making and implementing decisions. The survey items for the participatory dimension were straightforward (see Appendix B), asking respondents to rate the degree to which their CEO shared critical information with subordinates, sought advice, and reconsidered decisions given subordinate input, among others. The reverse-scored autocratic leadership dimension asked respondents whether the CEO made decisions in a dictatorial way, forced his/her values on others, and told subordinates what to do in a commanding way, among others.

The Participative global dimension was predictive of the overall TMT Dedication dependent measure ( $r = .21, p < .01$ ) but not the Firm Competitive Performance measure ( $r = .05, p > .05$ ). Overall, it was ranked fourth of the six global leadership dimensions predicting TMT Dedication following Charismatic, Team-Oriented, and Humane-Oriented global leadership dimensions. In addition, the primary CEO Participative behavior dimension was only ranked 12.5 out of 20 significant dimensions, which places it a little lower than half of the primary dimensions in predictability for TMT Dedication; it did not appear in the ranking for Firm Competitive Performance. The autocratic primary dimension was among the lowest ranking of dimensions predicting TMT Dedication (rank = 17 out of 20 significant dimensions). What was most surprising to us, however, was the very limited evidence that the effects of Participative leadership are culturally contingent. General comments by scholars often point out the fact that Participative leadership is most often required in individualistic nations typically found in

the United States and Europe. In fact, our research findings presented so far only indicate variability across nations for when the Participative CEO behavior predicts TMT Commitment. We will return to the evidence of cultural moderation for participation in Chapter 9.

Earlier in this chapter and in Chapter 2 we noted that it is very difficult to make firm conclusions with regard to participatory leadership since studies have shown that its effectiveness is not consistent. Combining earlier research, both conducted in single Western countries as well as research conducted in multiple countries, we might argue that (1) managers at all levels talk a good game with regards to participatory leadership. In fact, in our interviews with CEOs, they almost without exception endorse the importance of participation with TMT members. However, as Haire, Ghiselli, and Porter (1966) concluded that while managers from all countries espoused democratic management styles and favored participatory leadership, managers from most countries held a low opinion of whether subordinates had the capacity for leadership and initiative; (2) the actual influence of participatory leadership is moderately significant and positive but perhaps more so with respect to employee attitudes such as TMT Dedication (TMT Commitment, Effort, and Team Solidarity) but not so much for Firm Competitive Performance; (3) the influence of participatory leadership was not culturally contingent, as its effects were positive but moderate in all countries. This finding, however, may be premature and simplistic given (4) the many forms of participative leadership found around the world. This fact should bring us back to the research drawing board and reinforces the general research consensus that the construct itself varies greatly across cultures. Chapter 9 presents additional evidence regarding cultural influences on participatory leadership.

### **GLOBE Insights Into Humane-Oriented Leadership**

In Chapter 2, we noted that in general, GLOBE societal cultures and “culture clusters” (House et al., 2004) perceived Humane-Oriented leadership as being slightly important but certainly not critical in contributing to effective leadership. The average Humane-Oriented CLT score for this dimension was 4.88, with a country range of 3.80 to 5.60 (on a 7-point scale). Four culture clusters were singled out as particularly endorsing this characteristic in enhancing effective leadership: Southern Asia, Anglo, Sub-Saharan Africa, and Confucian Asia. The GLOBE Humane-Oriented global leadership dimension actually was comprised of two primary dimensions: (1) humane orientation and (2) modesty. The humane orientation primary dimension emphasizes empathy for others by giving time, resources, and assistance when needed and showing concern for follower’s personal welfare. The modesty primary dimension reflects leaders who do not boast, are modest, and present themselves in a humble manner. The development of the

Humane-Oriented leadership dimension can be found in GLOBE 2004 (House et al., 2004).

Relying on past research complementary to Humane-Oriented leadership, we expected that it would have a positive outcome but generally not be as impactful as Charismatic leadership or perhaps Team-Oriented leadership. The closest we might come to prior research informing the GLOBE construct are the earlier studies examining “relationship behaviors,” which were part of The Ohio State University (e.g., Fleishman, 1953; Fleishman, Harris, & Burt, 1955) and University of Michigan research programs (Bowers & Seashore, 1966; Likert, 1961, 1967). As noted by Yukl (2013), relations-oriented behaviors include a variety of behaviors that demonstrate empathy and a concern for the needs and feelings of followers. Some of the Humane-Oriented behaviors in the present GLOBE project are very similar and include general helpfulness; looking out for personal welfare of followers; and willingness to give time, money, and resources to help others. Also, by definition and construction of the global Humane-Oriented dimension, which includes modesty as a second primary dimension, the current CEO project includes leadership qualities of being modest and not boastful such as presenting self in a humble manner. These qualities and behaviors related to modesty are likely to be most important in Asian countries but not typically considered in Western leadership research. Both qualities of humane leadership carried out in a modest manner were characteristic of Mother Teresa, who ministered to the poorest of the poor in India. She gave time and resources to the sisters of her convent and supported them by teaching them how to handle administrative issues and problems they would face (Howell, 2013). Mohandas Gandhi also portrayed these qualities in his lifetime struggle for Indian independence. He was tireless in his service to the poor and provided for his follower’s needs by giving away his possessions; supporting ashrams; and exhibiting personal characteristics of empathy, openness, and humility (Howell, 2013). Both leaders clearly exhibited humane-oriented leadership.

Recent cross-cultural studies continue to support previous findings (Dorfman, 2004) that worldwide, considerate and supportive leadership behaviors will increase subordinates’ satisfaction with both their job and their supervisor (Agarwal, DeCarlo, & Vyas, 1999; Bass & Bass, 2008; Euwema, Wendt, & van Emmerik, 2007; Lok & Crawford, 2004; Wendt et al., 2009). The near universality of positive effects for leader supportiveness with respect to employee attitudes should not be surprising since supportive leaders show concern for followers and are considerate and available to listen to followers’ problems.

The evidence regarding a “people-oriented” leadership dimension for individual job and firm performance is not nearly so clear. An empirical study of top-level Chinese managers found that showing benevolence (i.e., showing love and care for subordinates) was related to both

employee attitudes and firm performance (the latter through employee attitudes such as organizational commitment) (Wang, Tsui, & Xin, 2011). Dorfman and colleagues (1997) found that supportive leadership had a direct impact on job performance in Mexico, an indirect impact on job performance through reducing role ambiguity in South Korea, and no impact on job performance for the U.S. samples.

GLOBE results support the prediction that Humane-Oriented leadership will have a significant effect on the overall TMT Dedication measure as well as for all three dependent measures comprising the TMT Dedication measure. The global Humane-Oriented leadership dimension predicted TMT Dedication ( $r = .25, p < .01$ ) and Firm Competitive Performance ( $r = .14, p < .05$ ). Interestingly, there were important distinctions when examining the effectiveness of this leadership behavior on TMT Commitment, Effort, and Team Solidarity. As seen in Table 8.2b, Humane-Oriented leadership had its largest impact on TMT Commitment ( $r = .39, p < .01$ ), which, in fact, was the *largest* relationship among all leadership behaviors and dependent variables. Its effectiveness was also apparent with regard to TMT Effort and Team Solidarity. Perhaps we should not be surprised that TMT Commitment was substantially elevated when CEOs looked out for the direct report's welfare, willingness to give resources to them, as well as behaving empathetically.

The two primary dimensions comprising the global Humane-Oriented dimension, modesty and humane orientation, were likewise predictive of TMT Dedication ( $r = .17, p < .01$  and  $r = .26, p < .01$ , respectively) but only the former was somewhat predictive of Firm Competitive Performance ( $r = .13, p < .10$ ). For the TMT Dedication dependent measure, humane orientation was more impactful than modesty and was ranked higher (i.e., 9th versus 16th out of 20 significant dimensions). Our results suggest moderately positive outcomes from CEOs who do not boast and are humble and modest. It might be worthwhile to recall that the humane behaviors included statements such as "being willing to help others," "looks out for 'my' personal welfare," and "inclined to be helpful." Supporting others and looking out for their welfare is a more action-oriented leadership behavior and, hence, appears to be even more influential than acting modestly.

Given that the Humane-Oriented leadership had quite an impact, what is the evidence regarding differential effectiveness of this leadership dimension cross-culturally? The answer is that it appears to have differential effects across cultures. The moderating effect of culture for the global Humane-Oriented dimension was marginally significant using the TMT Dedication variable obtained from different sources. However, moderating effects of culture were highly significant considering common source data for TMT Dedication. Further evidence regarding cultural moderation effects on this CEO leadership behavior will be presented in Chapter 9.



## GLOBE Insights Into Autonomous Leadership

As part of the GLOBE (2004) project, we found evidence that many countries around the world respected leaders who were independent, individualistic, and self-governing. This idea led to the formulation and operationalization of the GLOBE (global) leadership dimension labeled *Autonomous*. This newly defined global leadership dimension refers to leadership that is independent and individualistic. GLOBE's concept of Autonomous leadership is associated with the tendency to be and act as an independent agent with little interest in interdependent relations (House et al., 1999). It reflects a tendency to prefer to work alone and be self-reliant rather than working with others. Autonomous leaders tend to be suspicious of others' actions and intents and avoid interpersonal relations because they believe they take too much energy and time. They therefore prefer to build and protect their independence.

The Autonomous leadership dimension in GLOBE 2004 was measured as a single primary leadership dimension that contained the following attributes: individualistic, independent, autonomous, and unique. Survey respondents indicated the extent to which each attribute contributed to or hindered outstanding leadership. Because this primary leadership dimension was statistically independent from the other 20 GLOBE primary dimensions, it was labeled a *global* leadership dimension (i.e., second-order dimension) in addition to being a primary leadership dimension. This is the only leadership dimension in GLOBE that is both a primary and secondary leadership dimension.

The corresponding Autonomous CEO behaviors in the present study include acting independently, self-governing and not relying on others, and being individually oriented. As noted in Chapter 2, this leadership style familiar to U.S. moviegoers might be that of John Wayne if he were to head up a major corporation. Extreme examples of this style can be found in Mike Davis (the past CEO of Tiger Oil in the United States, now defunct). His independent leadership style is best exemplified in his (now humorous) memos whereby among other things, he stated the following:

In case anyone does not know who owns Tiger Oil company, it is me, Edward Mike Davis. . . . Do not let anyone think that they are the owner but me. There is one thing that differentiates me from my employees, I am a known son-of-a-bitch, do not speak to me when you see me, if I want to speak to you, I will do so.

In contrast to this extreme, the independent prototype in Germany is represented by Alfred Herrhausen, former president of Deutsche Bank, who was described as an individualist, an outsider, often reserved and distanced but with a high need for recognition (Brodbeck, Frese, & Javidan, 2002). The real-life example of Steve Jobs, the late founder and CEO of Apple, also is relevant to Autonomous leadership since his personality quirks included being solitary, self absorbed, and independent (Young & Simon, 2005).

In the GLOBE 2004 project, Autonomous leadership attributes were generally viewed across cultures as being culturally contingent. Scores ranged from negative, to neutral, to slightly positive across cultures with respect to contributing to or impeding effective leadership. The average Autonomous score for this dimension was 3.79, with a country range of 2.30 to 4.70 (on a 7-point scale). The country rating scores portray the Sub-Saharan Africa, Middle East, Latin Europe, and Latin America clusters as rejecting this dimension whereas the Eastern Europe and Germanic Europe clusters were the two highest ranking clusters for this leadership dimension. Brodbeck and colleagues' (2000) study of cultural variation of leadership prototypes across 22 European countries found that autonomy was one of three primary dimensions differentiating European cultures. They also clarified how an individualistic leadership prototype can be viewed positively in Germany (Brodbeck et al., 2002). Autonomous German leaders may be seen as unique, independent, and individualistic, and they generally stay apart from the crowd.

Two GLOBE cultural dimensions were related to the endorsement of Autonomous leadership (Javidan, Dorfman, Howell, & Hanges, 2010). As predicted, collectivism values (specifically, Institutional Collectivism) were negatively related to the Autonomous leadership dimension. But, perhaps unexpectedly, Performance Orientation cultural values were positively related to Autonomous leadership. In sum, members of societies and organizations with high performance-oriented and individualistic values will likely have autonomous attributes as part of their effective CLT leadership prototype. We know of no empirical behavioral research, however, actually investigating the effectiveness of Autonomous leadership behaviors.

As shown earlier, Autonomous leadership behavior had a small but significant negative relationship with the TMT Dedication measure ( $r = -.07, p < .05$ ) but had no impact with respect to Firm Competitive Performance. Examining this leadership behavior with respect to the three dependent measures comprising TMT Dedication provides little additional information, but the negative relationship with Team Solidarity was the strongest negative relationship.

### **GLOBE Insights Into Self-Protective Leadership**

This newly defined GLOBE global leadership dimension focuses on ensuring the safety and security of the individual and group through status enhancement and face-saving. This leadership dimension includes five primary leadership dimensions, labeled (1) status conscious, (2) internally competitive, (3) face-saver, (4) bureaucratic, and (5) self-centered. In GLOBE 2004, the mean CLT score for the Self-Protective global leadership dimension was 3.55 with a range of 2.5 to 4.6 (on a 7-point scale). These scores clearly indicate that it was culturally contingent regarding its perceived impact leading to outstanding leadership. Because the primary dimensions within the global Self-Protective leadership dimension are new

to the literature, it is useful to define each before summarizing the GLOBE results (complete definitions are found in Appendix A).

**Status conscious:** reflects a consciousness of one's own and others' social position, holding an elitist belief that some individuals deserve more privileges than others.

**Internally competitive** (formerly labeled *conflict inducer*, GLOBE 2004): reflects the tendency to encourage competition within a group and may include concealing information in a secretive manner and unwillingness to work jointly with others.

**Face-saver:** reflects the tendency to ensure followers are not embarrassed or shamed; maintains good relationships by refraining from making negative comments; instead uses metaphors and examples.

**Bureaucratic** (formerly labeled *procedural*, GLOBE 2004): emphasize following established norms, rules, policies, and procedures and habitually follow regular routines.

**Self-Centered:** characterized by a leader who is self-absorbed, is a loner, is aloof and stands off from others.

Earlier in the chapter, we noted that the Self-Protective leadership dimension is perhaps the most interesting of all global dimensions as the effectiveness of its primary constituent parts varied greatly. The overall effectiveness of the global Self-Protective dimension is negligible ( $r = .05$ ) influencing TMT Dedication. However, two of the primary dimensions within this global leadership dimension have a positive effect (status conscious and bureaucratic,  $r = .11$  and  $r = .23$ ,  $p < .01$ , respectively) and two have a negative effect (self-centered and internally competitive primary dimensions,  $r = -.11$  and  $r = -.19$ ,  $p < .01$ , respectively). The primary dimension of face-saver has a negligible effect ( $r = .06$  ns).

Regarding the rank order of the primary dimensions in terms of impact, as shown in Table 8.3, bureaucratic was near the middle ranking (rank = 10.5, positive) and actually equal to the Charismatic dimension labeled *decisive*. Internally competitive was ranked 14th and was a negative dimension in terms of TMT Dedication. This global factor had no impact with respect to Firm Competitive Performance.

Perhaps, surprisingly, we found almost a complete absence of results indicating a difference across cultures on this leadership dimension. As indicated in Tables 8.2a and 8.2b, neither the global Self-Protective leadership dimension nor any of the primary dimensions comprising the global dimension varied significantly across cultures when predicting TMT Dedication. While we found a few cross-cultural differences, there only was a limited amount of evidence showing cultural differences for this leadership behavior. Further evidence regarding cultural moderating effects will also be presented in the following chapter.

The positive results for status conscious and bureaucratic leadership from a Western perspective is seemingly difficult to explain but becomes understandable when examining the *actual* behaviors within each leadership dimension (see Appendix B). For instance, “being aware of others’ socially accepted status” and “acts accordingly to one’s status” can make social interactions less stressful. For the primary dimension of bureaucratic, which anecdotal evidence has a generally negative connotation worldwide, the actual items for this dimension do not carry the same baggage as the term itself. For instance, a positive aspect of bureaucracies is that rules and procedures are more likely to supersede personality differences and familial favoritism.

## Summary of Overall Findings

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We started this chapter by posing a number of questions, including the following: What is the *overall* impact of CEO leadership on TMT Dedication and Firm Performance? What are the specific impacts of 6 global CEO leadership behaviors and 21 primary CEO leadership behaviors on TMT Dedication and Firm Performance? Which leadership behaviors are most effective, which are ineffective, and which are countereffective? What are the similarities and differences in effective leadership across cultures addressing the meta-question about leadership universality versus cultural contingency. We also wanted to integrate the GLOBE 2004 findings and the extant literature with the findings from the present project.

We first noted that overall, CEO leadership across cultures is perceived as being reasonably effective as TMT members worldwide are reasonably satisfied—they are committed, put forth significant work effort, and view each other as a functioning team. Our results provide strong support for leadership effectiveness when considering the combined impact of leadership on our TMT dependent measures and on Firm Competitive Performance. This CEO sample of more than 1,000 CEOs undoubtedly had significant influence on their organizations, which generally comports with the research literature.

Perhaps it should be of no surprise that Charismatic leadership in particular was a critical leadership behavior. Leaders who are visionary, inspirational, self-sacrificial, decisive, and performance oriented when acting with integrity can expect superior TMT outcomes and firm performance. In particular, visionary leadership has positive impacts on TMT Dedication and firm performance. Team-Oriented and Humane-Oriented leadership are also important. Similar to Charismatic leadership, Team-Oriented leadership had positive impacts on both TMT Dedication and Firm Competitive Performance. Perhaps surprisingly, so did Humane-Oriented leadership. It had a strong effect on TMT Dedication and also a smaller but still significant impact on firm performance. Furthermore,

Humane-Oriented leadership is *most* predictive of all leadership behaviors when TMT Commitment is the dependent variable. And Humane-Oriented leadership is a stronger predictor than Participative leadership for all three dependent variables (Commitment, Effort, and Team Solidarity). Surprisingly, elements of Self-Protective leadership also had positive impacts, but Autonomous leadership was generally ineffective.

Evidence for leadership effectiveness being culturally contingent was more limited. Overall, we conclude that Charismatic and Team-Oriented leadership are nearly universal in their impacts. At a minimum they might be classified as at least a variform functional universal (i.e., universally important but vary somewhat as to its effectiveness depending on culture). Humane-Oriented leadership also showed some cultural moderation. We should not forget, however, that the impact of leadership on one particular dependent variable in this research, TMT Effort, was almost always culturally contingent. Nonetheless, as discussed earlier in the chapter, our findings regarding societal differences only allude to potential differences due to national culture. The following chapter investigating leadership/cultural fit directly investigates this issue that cross-national differences are directly the result of cultural differences.