Leadership styles and cultural values among managers and subordinates: a comparative study of four countries of the former Soviet Union, Germany, and the US

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Abstract: This cross-cultural study utilized the full range leadership framework developed by Bass and Avolio and Hofstede’s model of culture, and compared leadership styles and cultural values of over 4,000 managerial and non-managerial employees in ten business organizations in Russia, Georgia, Kazakhstan, Kyrgyzstan, Germany, and the US. Regarding socio-cultural dimensions, the study found that, compared to Germany and the US, the four former USSR countries differed primarily by much lower levels of Power Distance, higher levels of Masculinity and much longer planning horizons. The results on leadership indicate that two dimensions – Contingent Reward and Inspirational Motivation – produced the highest scores in all four countries of the former USSR. Two less efficient leadership styles, Laissez-faire and Management by Exception, have received significantly higher scores in the four former USSR countries, than in the US and Germany. Finally, the study suggests that cross-cultural human resource development issues cannot be described in terms of simplified dichotomies between the East and West. For constructs measured in this study, significant differences were found not only between the two groups of countries but also between individual countries within these groups.

Keywords: leadership styles, national culture, international HRD, former USSR, Russia

In the past five years, research on leadership and management has evolved as a key area of interest among HRD scholars (Jacobs 2000; Woodall 2000). Within this area, two strands of scholarship can be discerned: the development of leaders and managers and their behaviors, attitudes and attributes. The former has received much interest from UK scholars, with notable recent UK publications by Lee et al. (1996) on management education in the post-communist Central European States, Woodall and Winstanley (1998) on the strategy and practice of management development, and Lessem (1998) on management development through cultural diversity. Originating in the social science tradition of US academia, studies on behavioral aspects of management and leadership are regularly found in HRD research journals, for example, issues of managers acting as facilitators of organizational learning (Ellinger et al. 1999), leadership styles of Russian entrepreneurs (Ardichvili et al. 1998), and managers’ abilities to create organizational visions (Thoms and Greenberger 1998).

Studies comparing two or more countries, however, are still rare in HRD research, and this despite repeated calls for the comparative, cross-national research needed to
keep pace with the rapidly developing international and multi-cultural organizational environments (for example, Hansen and Brooks 1994; Peterson 1997). Especially lacking is scholarship addressing issues of leadership in post-communist Europe and Asia where countries of the former USSR are facing the drastic challenges of political and economic transformations and the adjustment to a market-driven, competitive world economy. While some single-country research is available in the HRD literature (for example, Lee et al. 1996), most of the countries that gained independence after the break-up of the Soviet empire remain, from a scholarly perspective, **terra incognita**.

The authors of this article, then, hope to contribute to the field in three ways. By using an established theoretical framework for measuring leadership and culture (Kuchinke 1999), this study strengthens the international HRD knowledge base, heeding the call for increased replication of research by Russ-Eft (1999). By including four new countries in addition to the ones surveyed by Kuchinke, the study expands existing knowledge and allows comparisons of the variables across six countries with a sample of over 4,200 employees and managers in ten organizations. This is of particular importance since the research design allows for comparisons not only of countries, but also of geographic, political and economic regions that differ vastly from each other, the established Western economies of the US and Germany and the newly emerging economies of the former Soviet Union. Finally, the study begins to build an HRD knowledge base in countries where it is virtually non-existent, namely Georgia, Kazakhstan, Kyrgyzstan, and, to a lesser extent, Russia.

**Related research, theoretical framework, and research questions**

**Socio-cultural dimensions**

The concept of culture is widely used in international management, organization behavior, and human resource development literature to measure effects that can discriminate between countries and ethnic or occupational groups (Kuchinke 1999). Culture constitutes the successful attempt to adapt to the external environment; it presents a social group’s shared strategy for survival (Triandis 1995). In this study, we used five socio-cultural dimensions, identified by Hofstede (1984, 1997). The first dimension is called power distance (PDI), and is defined as the degree of inequality among the people which a group of people considers as normal. The second dimension, individualism (IND), is the degree to which people prefer to act as individuals rather than as members of groups. The third dimension, masculinity (MAS), is the degree to which such ‘masculine’ values as assertiveness, competition, and success are emphasized as opposed to such values as quality of life, warm personal relationships, and service. Uncertainty avoidance (UAI) is the degree to which people in a country prefer structured over unstructured situations. Finally, the fifth dimension, long-term orientation (LTO), was intended to account for specific traits of many Asian cultures, which were not covered by the first four dimensions (Hofstede 1993). Long-term orientation is defined as the degree to which people’s actions are driven by long-term goals and results, rather than the short-term results and the need for immediate gratification.
According to Hofstede (1997), the US business culture is characterized by low PDI, LTO, and UAI, and high IND and MAS. Furthermore, German employees display low PDI and LTO, and high UAI, MAS, and IND. Regarding Russian managers, Hofstede hypothesized that they would be characterized by high PDI, high UAI, medium-range IND, and low MAS (Hofstede 1993). Bollinger (1994) and Naumov (1996) tested Hofstede’s hypotheses in their studies of Russian managers, and found support for these predictions on all four dimensions. Elenkov (1998), in his comparative study utilizing Hofstede’s dimensions, found that US managers are more individualistic than their Russian counterparts and the managerial culture in the United States is also characterized by lower power distance and uncertainty avoidance than the Russian managerial culture.

Prior research providing data on Hofstede’s socio-cultural value dimensions for Georgia, Kazakhstan, or Kyrgyz Republic could not be found. Thus, due to the lack of specific findings on these three countries, relational hypotheses regarding the differences in socio-cultural dimensions between all six countries in this study could not be developed, and our first research question was formulated as follows:

R1: What are the socio-cultural value dimensions of managers and employees in selected organizations in the six countries? Are there significant differences between these six countries on any of the socio-cultural dimensions?

Leadership

Since the late 1980s, much of the leadership research has concentrated on characteristics and specific effects of charismatic and transformational leadership (Bass 1985; Kanungo 1990; Sashkin 1988; Tichy and Devanna 1990). In this study, we used a version of transformational leadership theory formulated by Bass and his colleagues (Bass 1985, 1996; Avolio et al. 1995). According to Bass (1985), transformational leaders motivate their followers by inspiring them, offering challenges, and encouraging individual development. Transformational leadership stresses achievement of higher collective purpose, of common mission and vision. The second leadership style is transactional leadership. Transactional leaders stress specific benefits that their subordinates would receive by accomplishing agreed-upon tasks. A transactional leadership style involves negotiations between leaders and their subordinates, and exchange relationships between them. Research shows that different behaviors are involved in transformational and transactional leadership. The behaviors are measured with the Multifactor Leadership Questionnaire (MLQ) (Avolio et al. 1995). Transformational leadership includes individualized consideration (IC), intellectual stimulation (IS), charisma (CHA), and inspirational motivation (IM). Transactional leadership includes contingent reward (CR) behavior and management by exception (ME). A series of studies reviewed by Bass (1996) support the distinction between transformational and transactional leadership. There is also considerable evidence that transformational leadership is effective, and is positively related to subordinate satisfaction, motivation, and performance (Lowe et al. 1996).

Transactional and transformational leadership styles are contrasted with laissez-faire leadership. Laissez-faire leaders abdicate their responsibility and avoid making decisions (Bass 1990b). Subordinates working under this kind of supervisor basically are left to
their own devices to execute their job responsibilities. Although laissez-faire leadership is observed infrequently in the US businesses (Bass and Avolio 1989), managers still exhibit it in varying amounts (Bass 1990a). Prior research has found that laissez-faire leadership has an adverse effect on work-related outcomes of employees (Bass 1990a; Yammarino and Bass 1990).

Most of the extant leadership research is based on data collected in the North American context (Northhouse 1997). Regarding leadership styles of German managers, Kuchinke (1999), in his comparison of US and German telecommunications employees, has found that the US respondents ranked higher than Germans on two dimensions of transformational leadership (charisma and inspirational motivation).

The majority of studies dealing with leadership styles of managers in Russia are based either on consulting or teaching experience of the authors, or on a limited number of case studies (e.g. Berger 1999; Clarke 1996). Attempts were made at developing lists of leadership traits or management styles of business people in the transitional economies. For example, a framework developed by Puffer (1996) suggests that contemporary Russian managers tend to share power, are inclined to delegate decision making (largely to avoid the responsibility for unforeseen consequences), prefer to concentrate on strategic decision making, are tenacious and energetic, and have strong collectivist attitudes. As in the case of socio-cultural dimensions, literature on leadership styles of managers in the other three countries of the former USSR could not be found. Thus, our second research question was also exploratory in nature:

\[ R2: \text{What are the leadership styles of managers in the six countries? Are there any significant differences in leadership styles between the six countries?} \]

The leadership and culture interface

Leadership exists in all societies and is essential to the functioning of organizations within societies. However, the attributes that are seen as characteristic for leaders may vary across cultures (Den Hartog et al. 1999). House (1995) noted that prevailing theories of leadership are North American in character, and are based on the assumptions of individualism as opposed to collectivism, rationality rather than ascetics, hedonistic rather than altruistic motivation, centrality of work, and democratic value orientation. Cross-cultural psychology and sociology research shows that many cultures do not share these assumptions (Den Hartog et al. 1999). ‘As a result there is a growing awareness of the need for a better understanding of the way the leadership is enacted in various cultures’ (House 1995: 443).

Bass (1997) argued that there is universality in the transactional–transformational leadership paradigm, and presented supporting evidence collected in organizations in business, education, the military, the government, and the independent sector, from several continents. Bass (1997) maintained that the same conception of phenomena and relationships can be observed in a wide range of organizations and cultures, and exceptions can be understood as a consequence of unusual attributes of the organizations or cultures. Den Hartog et al. (1999), in their study in sixty-two cultures, found that, although cross-cultural research emphasizes that different cultural groups are likely to have different conceptions of what leadership should entail, certain attributes associated with transformational leadership are universally endorsed as
contributing to outstanding leadership, and some other leadership attributes are universally seen as impediments to outstanding leadership. Jung et al. (1995) speculated that transformational leadership is more effective in collectivist cultures than in individualist cultures, being enhanced by the respect for authority and obedience characteristics of collectivist cultures. Further, Jung et al. (1995) hypothesized that high uncertainty avoidance cultures may require more transaction-based leadership, while low uncertainty avoidance cultures will tolerate more innovative, transformational behavior (Jung et al. 1995). Elenkov (1998) argued that, since Russian managerial culture is characterized by high power distance and a strong collective mentality, Russian employees expect an autocratic leadership style, which is offset by the support given to subordinates’ families. In addition, Elenkov (1998) asserted that American concepts of leadership that advocate participation in managers’ decisions by their subordinates (small power distance) and that presuppose the confidence and ability to negotiate with one’s boss (high individualism) are incompatible with the large power distance/low individualism of Russian managerial culture. Due to the lack of previous empirical findings to guide hypotheses regarding specific relationship between leadership and the socio-cultural dimensions in the former Soviet Union, the following research question was formulated:

R3: What is the relationship between culture and leadership in the six countries in this study?

Methodology

This study was conducted using causal-comparative, one-shot survey design (Howell 1992). Twelve sites (including nine independent companies and three divisions of one company) in six countries have been surveyed. Companies in the former USSR were identified and contacted by the Center of Sociological Research (CSR) of the University of Moscow (three companies in Russia, three in Kyrgyz Republic, two in Kazakhstan, and one in Georgia). All ten firms were in the manufacturing sector of industry. Two levels of employees were surveyed: middle-level managers and non-managerial employees, including engineers and production employees. In all cases, managers were immediate supervisors of relevant non-managerial employees. A survey was administered to stratified random samples of employees in each of the companies surveyed in the US, Russia, and Kazakhstan, and to populations of all employees in Germany, Georgia, and the Kyrgyz republic. Data collection procedures were similar in the US and Germany. After a site visit by the second author, survey instruments were distributed by the personnel department at each location with a cover letter explaining the purpose of the study and the voluntary and anonymous nature of the study. Respondents were asked to place the completed instruments in drop boxes that were placed throughout the three sites (main entrance, cafeteria, and conference/meeting rooms), collected by the site’s personnel staff, and forwarded to the researcher. Data collection in the four countries of the former USSR was organized in a slightly different fashion, to reflect the realities of organizational and work cultures in these countries, where mail surveys managed at a distance do not yield significant response rates. Thus, in all four countries representatives of CSR made presentations explaining the study goals to management.
and to employees, during regular employee meetings. Next, at the survey stage, the CSR representatives collected completed surveys from participants, who were filling the surveys out at or after general employee meetings.

The survey instrument was developed using a number of existing, field-tested instruments. The five culture constructs were measured by using Hofstede’s 1994 version of the Values Survey Module, VSM 94 (Hofstede n.d.). The leadership construct was measured utilizing Avolio et al.’s (1995) MLQ5x questionnaire. Both the VSM 94 and the MLQ5x have been used extensively in the past and have known psychometric properties (for VSM94, see Søndergaard 1994; for MLQ5x, see Avolio et al. 1995). The instruments were obtained from the test authors in the English and German versions and given to the US and German participants in their native language. The survey was conducted in Russian in Russia, Kazakhstan, and the Kyrgyz Republic, and in Georgian in the Georgian Republic. The instrument was translated into Russian and Georgian by the representatives of the CSR. A back translation was made by independent translators. The translations were compared to the original sources, which helped to identify and correct a number of errors that have arisen from interpretation differences. The co-author of MLQ5x, Bruce Avolio, checked the Russian back translation of the leadership section of the survey instrument for accuracy. A pilot survey was conducted with a sample of 100 employees of an experimental plant of the University of Moscow to identify potential problems with the interpretation of terms and concepts.

Since we were interested in country-level comparisons, the results reported in this manuscript are based on pooled, country-level data, and not on the individual company data. The country-level response rates ranged from 31 per cent in Russia to 75 per cent in Kyrgyz Republic, with the total number of usable responses at 4,065. To address the issue of possible response bias, comparisons (utilizing chi-squares) were made between the demographic data on respondents and on all employees in a given company, obtained from the personnel departments. These comparisons showed that there was no significant difference between survey respondents and non-respondents in the two categories (managers and employees). Information about the sample by country and demographic data are reported in Table 1.

The overall percentage of male respondents was 68 per cent but higher than 70 per cent in Georgia, Germany, and the US. The demographic variables of age, gender, and education were statistically controlled in the following analyses to remove the possible effects of the over-representation of certain gender categories in individual countries. The two US sites had a much older population with a modal age of between 50 and 59 years, while the overall age for the six countries was 30 to 39 years. Managers at the German and US sites had a modal level of education comparable to a master’s degree, while non-managerial employees at the German site had a higher modal level of education than their US counterparts. Overall, the educational levels of employees and managers in all four countries of the former USSR were high, with the majority of managers possessing a five-year college degree or higher, and the majority of employees having at least a two-year college degree.
<table>
<thead>
<tr>
<th></th>
<th>Russia</th>
<th>Georgia</th>
<th>Kazakhstan</th>
<th>Kyrgyzstan</th>
<th>US</th>
<th>Germany</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Response rate</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total employees</td>
<td>6,000</td>
<td>750</td>
<td>1,800</td>
<td>520</td>
<td>3,750</td>
<td>1,700</td>
<td>14,520</td>
</tr>
<tr>
<td>Initial sample</td>
<td>3,960</td>
<td>750</td>
<td>1,188</td>
<td>520</td>
<td>1,842</td>
<td>1,695</td>
<td>9,955</td>
</tr>
<tr>
<td>Valid responses</td>
<td>1,216 (31%)</td>
<td>399 (53%)</td>
<td>385 (32%)</td>
<td>391 (75%)</td>
<td>625 (34%)</td>
<td>1,049 (62%)</td>
<td>4,065 (41%)</td>
</tr>
<tr>
<td>Managers</td>
<td>361 (30%)</td>
<td>128 (32%)</td>
<td>118 (31%)</td>
<td>88 (23%)</td>
<td>111 (18%)</td>
<td>53 (5%)</td>
<td>859 (21%)</td>
</tr>
<tr>
<td>Non-managers</td>
<td>855 (70%)</td>
<td>271 (68%)</td>
<td>267 (69%)</td>
<td>303 (77%)</td>
<td>514 (82%)</td>
<td>996 (95%)</td>
<td>3,206 (79%)</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Male</td>
<td>56</td>
<td>85</td>
<td>60</td>
<td>52</td>
<td>71</td>
<td>80</td>
<td>68</td>
</tr>
<tr>
<td>% Female</td>
<td>44</td>
<td>15</td>
<td>40</td>
<td>48</td>
<td>29</td>
<td>20</td>
<td>32</td>
</tr>
<tr>
<td><strong>Highest degree earned (mode)</strong></td>
<td>2-year college</td>
<td>Master’s</td>
<td>Master’s</td>
<td>Master’s</td>
<td>2-year college</td>
<td>Master’s</td>
<td>2-year college</td>
</tr>
</tbody>
</table>
Results

The scores for the seven dimensions of leadership and five dimensions of culture were calculated based on the formulae provided by the test authors (Avolio et al. 1995; Hofstede n.d.). The leadership scores for the four transformational styles of charisma, inspirational motivation, intellectual stimulation, and individual consideration ranked higher in most countries than the two transactional styles of management by exception and contingent reward. Laissez-faire leadership behavior was present but ranked lowest among the seven styles. All dimensions of leadership showed excellent internal reliabilities, with the exception of management by exception which came very close to the commonly accepted reliability coefficient of $\alpha = .7$ (Nunally 1967). Leadership mean scores, ranging from 0 (low) to 4 (high), their standard deviations, and reliability coefficients are shown in Table 2.

The scores for the five dimensions of culture – power distance, individualism, masculinity, uncertainty avoidance, and long-term orientation – were calculated using weighted means of individual items and constants, as described by Hofstede (n.d.), which result in a distribution ranging from 0 to 100, although above or lower scores are possible (Hofstede 1994). This allows for comparisons with previously published country scores. The internal reliability for the entire instrument was $\alpha = .88$, but the dimension of uncertainty avoidance fell short of the minimum required and was therefore excluded from the analyses. This dimension had shown poor internal reliability in previous studies (Kuchinke 1999). Masculinity also fell below the recommended value but was included in the analyses because it approximated the cut-off score. However, the low reliability coefficient of $\alpha = .53$ for this dimension raises concerns about the factor structure of this dimension, and this needs to be seen as a limitation to the study. While most of the culture scores were within the range of 0–100, several countries scored above or below. Power distance scores, in particular, were negative for the four countries of the former Soviet Union, indicating very low levels of this dimension.

To answer the questions about country-level differences, two separate multivariate analyses of co-variance (MANCOVA) were conducted with country as the independent variable and dimensions of leadership and culture respectively as the dependent variables. In both analyses, demographic information (age, gender, and education) as well as job category, site, and company were statistically controlled in order to rule out their influence on the results. By statistically controlling these variables, the analyses focused on the country-level effects alone, without having the results distorted by these other factors. Valid MANCOVA results depend on the data meeting a number of assumptions: random sampling, independence of observation, and normal distribution and homogeneity of variance among the variables (Bray and Maxwell 1985). Where these assumptions are violated, the statistical analysis will result in invalid findings. The first two conditions were fulfilled by the research design, the final two, however, were not met for all the constructs. To correct these shortcomings, the sample sizes for each country were equalized by selecting, at random, a sample of 392 from each of the six countries. Given equal sample sizes, as Bray and Maxwell point out, ‘all of the test statistics tend to be robust, unless the sample sizes are small’ (1985: 34). Thus, the comparisons of culture and leadership by country were based on a sample of 2,352 employees, which represents a stratified random sample of the initial population. An
Table 2  Reliabilities, means, and standard deviations of leadership and culture dimensions (N=4,065)

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Chronbach α</th>
<th>Russia M SD</th>
<th>Georgia M SD</th>
<th>Kazakhstan M SD</th>
<th>Kyrgyzstan M SD</th>
<th>US M SD</th>
<th>Germany M SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHA</td>
<td>.80</td>
<td>2.30 0.69</td>
<td>2.80 0.63</td>
<td>2.64 0.69</td>
<td>2.39 0.75</td>
<td>2.39 0.98</td>
<td>2.18 0.79</td>
</tr>
<tr>
<td>MOT</td>
<td>.78</td>
<td>2.56 0.83</td>
<td>3.12 0.72</td>
<td>2.74 0.79</td>
<td>2.73 0.84</td>
<td>2.67 1.02</td>
<td>2.27 0.85</td>
</tr>
<tr>
<td>STM</td>
<td>.78</td>
<td>2.42 0.86</td>
<td>2.86 0.79</td>
<td>2.85 0.78</td>
<td>2.62 0.91</td>
<td>2.23 0.97</td>
<td>2.34 0.79</td>
</tr>
<tr>
<td>CON</td>
<td>.79</td>
<td>2.28 0.97</td>
<td>2.91 0.87</td>
<td>2.79 0.91</td>
<td>2.46 1.02</td>
<td>2.11 1.06</td>
<td>2.18 0.92</td>
</tr>
<tr>
<td>REW</td>
<td>.72</td>
<td>2.78 0.69</td>
<td>3.02 0.77</td>
<td>2.88 0.78</td>
<td>2.67 0.86</td>
<td>2.24 1.04</td>
<td>2.23 0.90</td>
</tr>
<tr>
<td>MBE</td>
<td>.67</td>
<td>2.23 0.44</td>
<td>2.35 0.62</td>
<td>2.42 0.62</td>
<td>2.22 0.61</td>
<td>1.47 0.71</td>
<td>1.48 0.54</td>
</tr>
<tr>
<td>LFE</td>
<td>.72</td>
<td>1.69 0.81</td>
<td>1.55 0.88</td>
<td>1.68 0.86</td>
<td>1.65 0.82</td>
<td>0.95 0.94</td>
<td>0.99 0.79</td>
</tr>
<tr>
<td>PDI</td>
<td>.77</td>
<td>-33.70 49.04</td>
<td>-36.70 49.78</td>
<td>-23.25 43.20</td>
<td>-25.90 46.33</td>
<td>29.05 46.69</td>
<td>35.25 47.19</td>
</tr>
<tr>
<td>IND</td>
<td>.82</td>
<td>62.25 63.34</td>
<td>43.70 57.28</td>
<td>58.20 56.93</td>
<td>59.45 53.22</td>
<td>77.85 42.46</td>
<td>52.60 50.12</td>
</tr>
<tr>
<td>MAS</td>
<td>.53</td>
<td>101.30 95.55</td>
<td>149.80 119.71</td>
<td>99.00 102.33</td>
<td>108.90 108.56</td>
<td>12.80 91.13</td>
<td>-20.50 91.11</td>
</tr>
<tr>
<td>LTO</td>
<td>.81</td>
<td>83.55 55.90</td>
<td>70.65 61.27</td>
<td>61.15 46.49</td>
<td>60.40 45.33</td>
<td>43.70 43.51</td>
<td>44.00 43.51</td>
</tr>
</tbody>
</table>

Key

leadership dimensions: CHA = charisma, MOT = inspirational motivation, STM = intellectual stimulation, CON = individual consideration, REW = contingent reward, MBE = management by exception, LFE = *laissez-faire*; cultural dimensions: PDI = power distance, IND = individualism, MAS = masculinity, LTO = long-term orientation.
omnibus MANCOVA for leadership styles by country with age, gender, education, job category, and site as covariates showed significant differences, and so did the analysis for the dimensions of culture (both \( p < .001 \)). Follow-up univariate analyses of variance (ANOVAs) using conservative Scheffe post hoc tests showed these differences in more detail. When comparing data sets from potentially heterogeneous populations, as is the case with most cross-cultural research, researchers are faced with the choice of using normal scores or transforming respondents’ answers to normalized (z-) scores. Using normal scores incurs the risk of finding spurious differences, while the use of z-scores is likely to eliminate substantive ones. While either choice presents a trade-off, most cross-cultural researchers warn against the use of standardized scores. For example, van de Vijver and Leung (1997) recommend conducting a comparison of structures obtained from standardized and non-standardized scores, and, if the difference is not significant, using non-standardized scores. Although in this study several sources of extraneous variation were controlled for through the design of the study, the authors conducted country-level comparisons using both methods and found no differences. For example, when using normal scores for charisma, Russian respondents differed significantly from those in Georgia, and this was also found when using z-scores for this variable.

The remainder of this section presents our findings on each of the three research questions. To facilitate the description of the contrasts in leadership styles and culture dimensions among the six countries, Table 3 shows homogeneous subsets for each dimension, indicating which countries do and do not differ on each dimension (for mean values on each dimension and the direction of differences, refer to Table 2).

### Table 3 Homogeneous subsets (\( p > 0.5 \)) for leadership and culture dimensions by country (N=2,352)

<table>
<thead>
<tr>
<th></th>
<th>Russia</th>
<th>Georgia</th>
<th>Kazakhstan</th>
<th>Kyrgyzstan</th>
<th>US</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHA</td>
<td>a</td>
<td>b</td>
<td>b</td>
<td>a</td>
<td>a</td>
<td>a</td>
</tr>
<tr>
<td>MOT</td>
<td>c, d</td>
<td>c</td>
<td>d</td>
<td>d</td>
<td>c</td>
<td>c</td>
</tr>
<tr>
<td>STM</td>
<td>f</td>
<td>g</td>
<td>g</td>
<td>f</td>
<td>h</td>
<td>f</td>
</tr>
<tr>
<td>CON</td>
<td>i</td>
<td>k</td>
<td>i</td>
<td>i</td>
<td>l</td>
<td>i</td>
</tr>
<tr>
<td>REW</td>
<td>m, o</td>
<td>n</td>
<td>n, o</td>
<td>m</td>
<td>p</td>
<td>q</td>
</tr>
<tr>
<td>MBE</td>
<td>r</td>
<td>r, s</td>
<td>s</td>
<td>r</td>
<td>t</td>
<td>t</td>
</tr>
<tr>
<td>LFE</td>
<td>u</td>
<td>u</td>
<td>u</td>
<td>u</td>
<td>v</td>
<td>v</td>
</tr>
<tr>
<td>PDI</td>
<td>A, B</td>
<td>A</td>
<td>B</td>
<td>B</td>
<td>C</td>
<td>D</td>
</tr>
<tr>
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<td>E</td>
<td>C, D</td>
</tr>
<tr>
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<td>F</td>
<td>H</td>
<td>F</td>
<td>F</td>
<td>I</td>
<td>K</td>
</tr>
<tr>
<td>LTO</td>
<td>L</td>
<td>M</td>
<td>M</td>
<td>M</td>
<td>O</td>
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</tr>
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</table>

**Notes**

Like letters denote similar levels of the variable, different letters different levels (\( p < .05 \)).

Leadership dimensions: CHA = charisma, MOT = inspirational motivation, STM = intellectual stimulation, CON = individual consideration, REW = contingent reward, MBE = management by exception, LFE = laissez-faire; cultural dimensions: PDI = power distance, IND = individualism, MAS = masculinity, LTO = long-term orientation.
R1: Country differences on socio-cultural value dimensions

In Table 3, letters are used to indicate similarity and differences \((p < .05)\) of two or more countries on a given dimension. Thus, Georgia, Kazakhstan, and Kyrgyzstan had a similar level of long-term orientation (indicated by letter ‘M’ in these three cells), and were different from the US and Germany (letter ‘O’). Russia was different on this dimension from both groups above (letter ‘L’). To show the country comparisons more clearly, Figure 1 represents graphically the culture scores of the employees in the six countries. As Figure 1 shows, the four countries of the former Soviet Union had uniformly low levels of power distance compared to the US and Germany. These four countries also differed from the two Western countries in terms of masculinity. Levels of individualism varied to a much lesser degree, with US employees showing the highest level.

R2: Leadership styles of managers in the six countries

Employees in Russia, Kyrgyzstan, the US, and Germany rated their supervisors and managers very similar in terms of charismatic behavior, which is indicated by the letter ‘a’ in those four cells. However, these four countries differed on this dimension from Georgia and Kazakhstan (letter ‘b’ in corresponding two cells). In relation to inspirational motivation, sample employees in Russia, the US, and Germany (‘c’) were very similar, and so were Russia, Kazakhstan, Kyrgyzstan, and the US (‘d’). Employees from the Republic of Georgia differed with respect to this dimension from the other five countries.

Figure 2 represents graphically the leadership scores for the six countries. With respect to the four dimensions of transformational leadership, employees in Republic of Georgia showed higher levels than the other countries. There were also markedly higher levels of management-by-exception (negative reinforcement) and laissez-faire leadership behaviors in the four republics of the former USSR.

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Figure 1  Culture dimensions by country (N=2,352)
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Figure 2 Leadership dimensions by country (N=2,352)

R3: The relationship between culture and leadership in the six countries

Table 4 shows the zero-order correlations of the leadership and culture dimensions. As reported in previous literature (for example, Avolio et al. 1995), the four transformational leadership styles were highly intercorrelated, indicating that transformational leadership behaviors might occur in clusters: leaders who are perceived as charismatic are also likely to be perceived as motivating and concerned with the needs of the individual employee. The culture dimensions were also highly intercorrelated. As seen from the table, correlations between leadership and culture dimensions are not strong, which suggests that the two constructs, at least as measured by the dimensions used in this study, are only marginally related.

Conclusions

This survey-based study addressed cultural values and leadership styles of some 4,000 managers and non-managers in ten business organizations in six countries. Combining the results of a published study (Kuchinke 1999) of German and US organizations with those obtained in four countries of the former USSR, the authors investigated country-level differences using two widely established frameworks: Hofstede’s dimensions of culture and Bass and Avolio’s full range theory of leadership with its constituent components of transformational, transactional, and laissez-faire leadership behaviors. The study contributed to the knowledge base on international human resource development in areas of the world where such research is to date non-existent and allowed for comparisons between countries that differ very dramatically in terms of their cultural, social, political, and economic histories.
<table>
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<th>7</th>
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</table>

**Notes**

All correlations are significant at $p < 0.001$.

Leadership dimensions: CHA = charisma, MOT = inspirational motivation, STM = intellectual stimulation, CON = individual consideration, REW = contingent reward, MBE = management by exceptions, LFE = laissez-faire, cultural dimensions: PDI = power distance, IND = individualism, MAS = masculinity, LTO = long-term orientation.
Hofstede’s framework ranks among the most popular and frequently cited theories of culture in international management and international HRD research and teaching. Though not without critics (see Søndergaard 1994), the description of national cultures in terms of power distance, masculinity, uncertainty avoidance, individualism and long-term orientation has been used many times in international comparative research. In this study, however, only three dimensions showed appropriate internal reliability while a fourth approached the generally acceptable level. The construct of uncertainty avoidance, the tendency to fend off ambiguity, proved unreliable and had to be excluded from the analysis, raising questions about the factor structure of this construct. Further, the fact that several dimensions scored outside the theoretical range of 0–100 found by Hofstede suggests the need to re-evaluate the weighted formulae and distribution of the dimensions. For the reliable dimensions, differences between the US and Germany had been reported previously (Kuchinke 1999) and these differed sharply from Hofstede’s original research published in 1984, suggesting that cultural values might not be stable over time and might differ by population within a given country. Far from presenting a homogeneous picture, the four former USSR countries, as might be expected from their history, differed from each other in substantial ways. Georgia ranked lowest with respect to power distance, followed by Russia, Kazakhstan, and Kyrgyzstan. All four countries ranked substantially lower on this dimension than Germany or the US, indicating a much higher level of egalitarianism and the expectation that positions of social power be distributed equally or, at a minimum, be within reach of everybody. Low levels of power distance are associated with respect for individual equality and power based on expertise and knowledge rather than on position and influence. Low PDI scores further indicate respect for the individual and the recognition of mutual interdependence. Political power is based on a system of representation and it is accepted that authority be questioned and criticized. In low PDI countries, organizational pyramids are flat, there is a smaller proportion of supervisory personnel, wage differentials are comparatively small, and manual and technical labor is accorded a similar level of respect to managerial and intellectual work. Countries with historically low levels of this dimension have included Japan, Canada, the Netherlands, and Great Britain (Hofstede 1984).

The six countries differed less on the dimension of individualism. While the US routinely ranks highest among the world’s nations, this sample showed individualism in four of the remaining five countries to be equal and quite high. Employees in Georgia, who had ranked lowest in power distance, also showed the lowest level of individualism and the highest level of collectivism. High levels on the individualism dimension are associated with an orientation to the self rather than the community, an emphasis on individual initiative and decisions, identity anchored in the individual rather than the collective, and the norms of autonomy, variety, and pleasure as opposed to order, duty, and security.

Masculinity, the tendency to behave in gender-stereotypical terms, was very high in the four SU countries, as was the tendency to plan for the long term rather than focus on short-term results. In highly masculine countries, such as many Latin American and Mediterranean nations, achievement, ambition, and possession are valued highly, and there is a greater centrality of work in the lives of individuals along with higher levels of work stress.

In summary, compared to Germany and the US, the four former SU countries
differed primarily by a much lower level of power distance, higher levels of masculinity, and much longer planning horizons.

Concerning leadership styles, the fact that contingent reward was much more highly correlated with transformational than the other transactional styles raises a question over the validity of the distinction between the two and where the positive reinforcement factor belongs. This question has previously been posed in previous research with Austrian and German bank employees (Geyer and Steyrer 1994), but no conclusive answer has been advanced to date.

The study results indicate that two dimensions – contingent reward and inspirational motivation – produced the highest scores in all four countries of the former USSR. This shows that in these countries there is no clear preference for one of two major leadership styles (transactional or transformational), and elements of both styles are being used. Georgia, overall, had the highest scores for all transformational leadership styles. We believe, though, that this finding should be interpreted with caution. In cross-cultural studies, it is often difficult to attribute observed mean differences between country scores to national culture differences, because these differences may be products of methodological artifacts, such as differences in response style (van de Vijver and Leung 1997). In some cultural contexts (especially more collectivistic ones), responses are given in a more socially desirable way to please the researcher (Aycan et al. 2000). These problems in cross-cultural studies are minimized to a certain extent by employing data standardization (van de Vijver and Leung 1997). However, since the standardization approach can also mask important differences between country samples, we opted for not using it in this study.

Further, although the laissez-faire and management-by-exception leadership styles are less prevalent in all four countries of the former Soviet Union than are the other styles, these two styles have received much higher scores here than in the US and Germany. This suggests that leadership and management development programs developed by Western professionals for the countries of the former USSR should address these styles, making explicit their characteristics and drawbacks, and assisting trainees in correcting associated negative attitudes and behaviors.

For all four countries, socio-cultural dimensions used in this study predicted leadership styles, but accounted for a small portion of variance (with the exception of the relationship between the four cultural dimensions and the management-by-exception leadership style). This could suggest two possibilities. First, some other factors could have stronger effects on leadership than the socio-cultural dimensions. Second, the five dimensions used in this study may not cover the whole universe of socio-cultural dimensions relevant to leadership. For example, the fact that individualism did not emerge as an important predictor may be due to the use in this study of Hofstede’s (1984) conceptualization of this phenomenon, which views individualism and collectivism as polar points of a single continuum. In contrast to this approach, Triandis and his colleagues (1988) proposed that individualism and collectivism are unique constructs and need to be split into separate continua. This proposition was supported by recent cross-cultural research (Earley and Gibson 1998; Ralston et al. 1999). Additionally, both individualism and collectivism may be multifaceted dimensions consisting of more than one component (Triandis 1995). Further, since the relationships between leadership and national culture dimensions were not that strong, we need to continue the investigation of the interface of leadership and culture on
other levels. For example, organizational, industry, and professional cultures could be playing more important roles in shaping the leadership behavior than country-level culture.

Large-scale surveys such as this one are subject to a number of limitations that need to be kept in mind when interpreting the results. First, with all country-level research this study shares the limitation of likely sampling bias. Although measures were taken to reduce measurement error through the use of native-language instruments and local research teams who administered the survey, distortions of the findings due to convenience sampling are likely. Thus, the results reported here represent the respondents and not their countries. Second, the study did not take into account the political realities of conducting social science research in countries with long authoritarian histories which present the likelihood of further response bias. Third, the results are likely to be influenced by single-method and single-source bias, another limitation of large-scale survey research. Finally, this study was designed in an etic fashion, using existing and established measurement instruments to assess constructs such as leadership and culture that quite possibly have highly situational and temporal aspects not captured here. The benefits of using existing theoretical frameworks – reliability, validity, comparison with previous studies – come at a price that consists in the likely omission of important local facets of culture and leadership that were present but not captured by the research design. This is an especially important limitation for the broad and under-specified constructs of culture and leadership that, to date, lack underlying unified theories and models.

Practical implications

Perhaps, the most important practical implication of this study is that contemporary cross-cultural HRD issues cannot be described in terms of simplified dichotomies between the East and West, or developed versus transitional or developing economies. For constructs measured in this study, significant differences were found not only between the two groups of countries (the US and Germany, representing the West, and the four republics of the former USSR, representing the East), but also within these groups. And, in a number of cases, homogeneous subsets were comprised of countries from both groups.

Further, we found that grouping countries based on cultural, geographic, or religious proximity could be equally questionable. For example, one might expect that Kazakhstan and the Kyrgyz Republic, being close to one another in terms of geographic location, religion, and language, would form a homogeneous subset, and would differ from the Russia and Georgia. However, on the majority of leadership dimensions and on all four socio-cultural dimensions, either one or both of the first two countries were aligned with Russia and/or Georgia. This suggests that any attempts to develop leadership training programs for the former USSR, or to conduct organization development interventions based on Western HRD theories, should be tailored to each country’s specificity, and the former Soviet republics should not be treated as homogeneous in their management and work cultures.

Further, since the study findings suggest that national-level socio-cultural dimensions explain only part of leadership style variance, an important practical implication is that
leadership and management development recommendations based on country profiles grounded in Hofstede’s dimensions (see, for example, Elenkov 1998; Naumov 1996) should be taken with caution. Instead, each individual OD and/or training intervention should take into account other possible factors (e.g., regional, organizational, and professional cultures), as well as each country’s economic conditions and political situation at the time of intervention.

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