



THE INFLUENCE OF CULTURE ON LEADERSHIP

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Abstract

The level of development of a country is defined based on indicators such as population size, GDP and country area. Although it's easy to identify countries like the USA, France and Spain that are part of developed countries and countries such as Senegal, Gabon, Greece or China ranked as emerging countries, there is no universally accepted definition of developing countries. The "emerging countries" are often listed in terms of their differentiation from the developed countries; a common problem is that some organizations don't take into consideration all the variables, a country located on a higher position in terms of GDP is possible to not have the same position at the social development or quality of life.

For the last 25 years, China has known continuous economic expansion, it's forecasted that in the next 20 years it will become one of the world's superpower. China encountered a relatively fast development after the deployment of the "cultural revolution".

In China, the long standing cultural tradition influences till today the economic area, more than other countries encounter from this category. The youth's mentality is to learn and to work very well with the solely interest to serve the country completely. This desire of the Chinese people is positively influenced by the state – the Chinese Communist Party encourages the state to raise the development of education and the level of life.

Keywords: *style of leadership; culture influence; motivational factor; GDP.*

JEL Classification: M₁-M₁₄

Introduction

The motivation of human resources is a topic of great interest on a management level, because the employees are the main factor that can influence



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the productivity of a company. The target is to trigger psychological processes where the employees feel satisfied regarding their needs and desires, the main goal being to achieve the objectives followed by the loyalty of employees. The management often depends on the culture of a country but also on the economic level on which the country is situated. Although the principle of motivation is the same, it may be different depending on the culture and the economic level it can be defined as the process of influencing the employees in order to achieve certain goals. [Spînu & Sturz, 2008]

In the USA, a developed country, the best form of motivation is the professional advancement, in China emphasis is placed on the membership of a group and keeping the comfort zone, in a country like Greece wage growth was found the best motivator.

If an employee's salary from a developed country like the USA is higher than other countries, when it comes to managers their salary are almost the same in every country, because managers are considered key elements and the companies are not able to assume the risk of losing them.

Table no. 1. GDP annual growth

GDP annual growth (%)	Year					
	2010	2011	2012	2013	2014	2015
Country	2010	2011	2012	2013	2014	2015
China	10.63	9.48	7.75	7.68	7.27	6.9
USA	8.74	9.76	10.44	10.87	11.79	12.69
Morocco	3.82	5.25	3.01	4.73	2.42	4.4

Source: <http://ec.europa.eu/eurostat>

Regarding the Chinese socio-economic context, the transformations of the last two decades have changed the economic structures, so half of the economic ownership belongs to the state, 30% are private property and 20% of the total are mixed properties belonging to both State and investors, foreign or domestic.

China's GDP level places it on the 7th spot in the world and 1st among developing countries, being divided as it follows: 18% generated by the primary



sector of economy: agriculture and livestock, 50% comes from the construction/industry and the remaining 32% is represented by the services sector. At the same time, the profit tax system is designed to stimulate export activities and to encourage companies benefiting from a foreign investment.

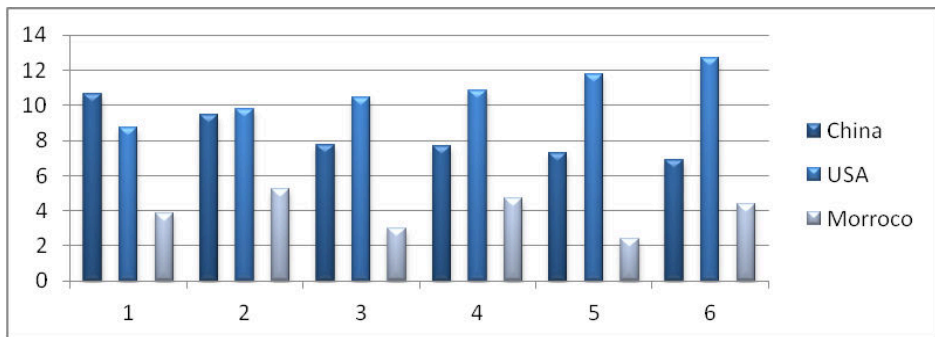


Figure no. 1. GDP annual growth

Source: <http://ec.europa.eu/eurostat>

“National holdings receive the benefit of autonomy from the state, interacting efficiently both in economically and managerial points of view based on market economy principles. From a management point of view, the strategic planning is done centrally and control mechanisms are established. Other management activities (organization, communication, motivation) are decentralized at the holding’s component level.” (http://www.academia.edu/10233175/Managementul_%C3%AEn_China)

Regarding China’s cultural dimension, both sides are in place: individualism and collectivism. In the individualistic part, the relations between members are voluntary and carefully cultivated and values as trust, affiliation to a group, flexibility, satisfaction with the held position are brought to the forefront. Instead, within the collectivist society, the need to make new friends is not found, the focus is rather found on improving themselves in order to serve the country. The need for reliance on influential people is another characteristic of collectivism characterized by the cultivation of moral discipline, the existence of a small number of desires and acceptance of middle grounds. [Burduş & Căprărescu, 2008]

If we analyze the femininity-masculinity cultural dimension in China, it’s a strong dual character where masculinity emphasizes on balancing and sharing the burdens of independence and career success and the femininity is emphasized by educating the new generations. One of the basic principles is that the stability of

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Chinese society emphasizes on its unequal ties between people both in everyday life and professional life.

In the Chinese society the youth spends much of its time in schools surrounded by teachers, in college campuses, lecture halls or jobs, where they spend around 10 or 11 hours including the rest break placed in the afternoon, when according to studies the productivity is lower. Being away from their families most of the time, the Chinese people can be definite by strong communication skills and adaptability and the relationships built with other members are strong and long standing.

Regarding the salary system, it has several components: standard criteria salary established depending on the seniority level, transport allowances, education, heating or expensive life costs and bonuses such as the 13th salary.

Methodology

Management styles can be summarized in three categories: Participative, Paternalistic and Authoritarian.

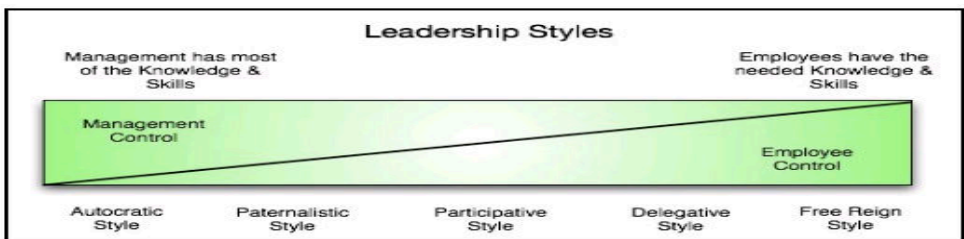


Figure no. 2. Leadership Styles

Source: <http://www.nwlink.com/~donclark/leader/leadstl.html>

The authoritarian style supposes that suggestions are not accepted from the subalterns, the leader being concerned of achieving goals and control, less concerned on the state of his employees. Studies show that this style is beneficial for short periods of time, used in crisis situations, but many cultures use it regardless of the situation. This style diminishes the interest of the employees and in the absence of the team leader efficiency is lower than usually.

Managers in Arab countries are defined by the authoritarian style; they feel the need to act in extreme situations by punishing or rewarding their employees. Another particularity is that, in the Arabian world, the employees are motivated by individual gifts or gifts to the family. For example, in small or medium companies



when an employee exceeds his target there is a management policy which allows the offering of goods as a symbol of an active involvement.

Regarding the one-on-one meetings, the Arab leader calls the employee in question to have a discussion only if its results are under expectations. Generally, discussions are carried individually with each employee. In case of a punishing situation, the leader usually presents the situation to the employee focusing on risks in order of giving a second chance, but the fault is not totally forgotten, because a common practice is that the manager demotes directly the employee to a lower function, considered a threat of reputation or social status. This strategy works most in emerging countries because descent to a lower position requires lower wages to the employee.

Table no. 2. SWOT analysis authoritarian leadership

SWOT analysis – authoritarian leadership	
STRENGTHS	WEAKNESSES
Problems solved quickly	Abuse of power
Organized team	Focus on results not on people
Control of daily tasks	Vertical descending communication
Low risk of incidents	Difficult replacements of leaders
Clear expectations	
OPPORTUNITIES	THREATS
Fast developing	No innovation initiatives brought by the team
Target achievement	Minimum yield in the absence of leader
Competitive thinking	

Source: personal contribution

The paternalistic style combines work focus with the protection of employees. The main principle is that who works for the good of the company will be rewarded accordingly. This style is most often met among the Chinese culture.

Chinese people are in the comfort zone when they resonate with the group, no decision is put into practice until it is presented to the group and pool agrees with it.



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In China, employees can be motivated by being offered group benefits, individualized recognition not being that efficient, they offer to employees as reward group subscriptions to different restricted circles.

For the Chinese, the threat made by the leader will be addressed to the whole group, without the need for the individualization of a specific member; just a general presentation of a negative situation makes the group know exactly which individual didn't have an active involvement, thus finding them as culprits. Although managers don't tend to lay off employees, the group pressure created can force the culprit to ask for a transfer to another department or to leave the group. Chinese evaluation is not that formal, the manager can notify the employee only if it is not in harmony with the group.

Table no. 3. SWOT analysis paternalistic leadership

SWOT analysis – paternalistic leadership	
STRENGTHS	WEAKNESSES
More than a business collaboration	Employees don't use their creative part
Communication in both directions: leader to employees and vice versa	Still a form of authoritarian leadership
Harmony of the group	Management not concentrated on results but on group
Implication of employees in important decisions	
OPPORTUNITIES	THREATS
Opinions of employees are taken into consideration	For a wrong decision taken, the leader risk to lose his credibility
Contact with the client not only with the leader	Keeping the comfort zone

Source: personal contribution

The participative style is defined by task orientation but also on people. Managers encourage subordinates to take responsibility and work control. This style is popular in the USA, UK and the Scandinavian Peninsula. Americans react best to a more open management style based on friendship, but defined by professionalism. American employees appreciate when their privacy is respected,



being tempted to take decisions on their own even if it involves certain risks. In terms of material rewards, Americans measure appreciation by the possession of material goods. Also developed companies tend to offer to the employees shares to the company rather than a salary increase. When we speak of threats, although the USA it's a financially developed country, the threat with the loss of job has a major impact in the lives of Americans. Studies have shown that this type of threat does have a negative impact, because the employees tend to resign before the managers have the chance to implement their slightly aggressive treatment. In the USA, the evaluation system is a formal one, unfolding two times per year. Assessment being completed, it must be signed by the two sides, but also by a superior.

Table no. 4. SWOT analysis participative leadership

SWOT analysis – participative leadership	
STRENGTHS	WEAKNESSES
Good communication	Risk of loss of time in taking decisions
Independent team	Risk of incidents
Employees involved into company's decisions	No control of daily tasks
High degree of confidence	
OPPORTUNITIES	THREATS
Initiatives brought by the team	Leader decisions not taking into consideration by the team
Management concentrated on people	Unclear expectations
Competitive thinking	

Source: personal contribution

Estimated results

Depending on each style of management, certain behavioural characteristics adopted by leaders which belong to different cultures are highlighted.

The authoritarian style is defined by the "power" of the one who leads. In this case, "power" can be interpreted as an individual's ability to influence the actions and decisions of a group with the purpose of making them compliant with the personal wishes. The main characteristic of "power" is interdependent; we can say



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that the more power an individual has, more obedience will be shown by the group to his decisions.

In organizations, “power” is used in order to ensure that the objectives through a unilateral direction are fully respected by the group. If the objectives aren’t accomplished is considered that the group did not comply with the imposed rules or they didn’t worked at full capacity in order to achieve them. Authority is also closely linked with the “power” held by superiors, because it represents the right to use the “power”. We can say that authority is a formal “power”, which goes to an individual that holds a leading position officially recognized and accepted by their subordinates, style of leadership adopted in the most of Arabian countries.

The paternalistic style puts great emphasis on expert strengths and skills, being reflected by the competence of the leader in order to influence the group by providing information acquired through training, practice, experience and skills. Expert “power” is not a formal one; it can be obtained by any employee and does not necessarily mean holding a leader status.

In the Chinese culture, expert’s power and the power by example belongs to both leader and mentor, one of the characteristics of this culture is to promote according to personal merits, recognized especially among members of the group with increased seniority level.

Leading by example is a strategy put into practice by the Chinese, which involves an influence of attitude and the model based on which the team members think by providing a personal example of success or in the case of failure by self-sacrifice.

The participative style is characterized by aspects such as rewards and constraints. Using reward involves the submission of an extra effort from the subordinates. Results are immediately rewarded; employees are motivated to perform daily tasks. This method only works if you apply an effort remuneration, if this practice is not implemented, studies show that the yield is much lower. [Popa, 2004]

Another technique of the participative style is the constraint; opposite to reward, it involves influencing the team and applying reprimands, penalties and demotions. This approach limits creativity and initiative and it involves the inception of a sense of fear within the group, thus limiting and reducing creativity.

Conclusions

Management style is a motivational factor regardless the level of live of each country or the culture that defines it.



The American manager will act like a leader facilitating the discussion and encouraging the employee to present his point of view, offering to the employee the right to respond and to defend his point of view. On the other hand, the Chinese manager acts like an elderly member, which guides the employee in his career. In the Arab world, communication is a one-way street, the manager represents the authority, and the employee doesn't have the right to reply.

It is important to note that in China the core of social life is not represented by family but by socio-professional groups, separating themselves from western countries in which the emphasis is placed on family. Analyzing the characteristics of Chinese people, they tend to adopt a neutral character, self-control and an earned status in society.

It's important to note that Chinese managers motivate their team by providing ongoing support and encouragement them to persevere. They make their presence felt in the professional and personal life.

Although the GDP position in the rankings is quite high, China does not excel in the quality over quantity service. The personality of team members influences the adopted leadership style. As a general feature, the Chinese are characterized by the dependency on the more influential people of the group plus values such as: the existence of a small number of desires, addressing a mediocre state of mind and following a "middle grounds" guideline with the existence of some flexibility, great care and attention to details.

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