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TRANSFORMATIONAL LEADERSHIP: AN EXAMINATION OF CROSS-CULTURAL DIFFERENCES AND SIMILARITIES

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# AN EXAMINATION OF CROSS-CULTURAL
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by

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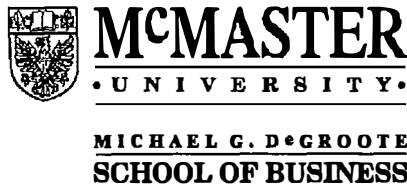
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Transformational Leadership:
An Examination of Cross-Cultural Differences and Similarities

Abstract

Success in the global marketplace depends on a manager's ability to provide leadership. Exceptional success depends on sustaining extraordinary performance. Just how do effective leaders generate such performance? Are there universal behaviours which are consistent around the world? Are there subtle differences of emphasis which vary across different country or corporate cultures? With these questions before us, we polled 145 senior executives in two major divisions of a global petroleum company and from its major subsidiaries around the world. They were asked to describe examples of exceptional organizational performance and to identify the key leadership behaviours which they saw as explaining or accounting for the extraordinary outcomes. Content analysis of their coded responses led to a few leadership behaviours identified as key to the instances of exceptional performance. The major finding of this research study was that the main dimensions of leadership for extraordinary performance are universal. Only a few variations in emphasis existed among six different regions of the world: America, Far East, Latin America, Southern Europe, Northern Europe and the Commonwealth. As expected, there were also some clear leadership differences, long established in the folklore of the company, associated with different corporate cultures in the two major divisions.

Key words: **transformational leadership, cross-cultural differences**

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TRANSFORMATIONAL LEADERSHIP:
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Although the research on leadership is extensive, management theorists have yet to take a global perspective on the topic. It is not only probable, but expected, that leaders utilize different styles and exhibit a variety of different characteristics based on their cultural background. We can recognize the subtle differences in language, values and traditions when we travel abroad. Do we also understand the subtle differences in effective leaders? An empirical examination of these differences has yet to be conducted. This research study aims to fill this void. The objective of this paper is to determine which leadership traits are impervious to culture. Furthermore, what are the leadership traits that certain cultures deem more important than others? The answer to these questions will help global managers succeed in maintaining extraordinary performance around the world.

LITERATURE REVIEW ON LEADERSHIP

The earliest works on leadership can be traced back to ancient Egyptians, Greeks, and Romans giving this field a great heritage. The first modern works on record were published at the turn of the century with three pieces that are still referenced: a) Terman's study (1904) on the psychology and pedagogy of leadership; b) Puffer's (1905) examination of *Boys Gangs*, and c) Gowin's (1915) piece that brought managerial relevance to leadership.

Management researchers (e.g. Bass, 1990), anthropologists, and psychologists (e.g. Smither, 1988) have described leadership as a universal phenomenon. Leadership has been viewed as: a) a personality attribute; b) the art of inducing compliance; c) an exercise of

influence; d) a form of persuasion; e) a power relation; f) an instrument of goal attainment; g) an effect of interaction, and h) an initiation of structure. Researchers in the early decades of this century emphasized theories of leadership related to *great man* models that attempted to identify traits by researching characteristics of great leaders' personalities. During this century's World Wars personnel testing and selection programs as well as more complex evaluative models were developed by researchers to predict such qualities in men.

Later, researchers such as Hemphill (1949), Baumgartel (1956), and Pelz (1956) realized that situational factors also influenced the emergence of a leader. It was no longer believed that a person could be automatically predisposed to leadership. Instead, it was believed that situations where information, empathy, negotiation, or communication skills were evident could also yield the same result. In due course, authoritarianism was a measure that gained great popularity as it related to the performance of a group, its structure and size (Milgram, 1965).

Since the 1970s, research has recognized *charisma* as the endowment seen in extremely highly esteemed persons (Burns, 1978). Moreover, charisma can be related to both the leader or the leadership position as is illustrated by the position of the President of the U.S. who gains much of his charismatic nature during his position in office not during his life, before or after. Mirvis and Berg quote that a charismatic leader would be one that was willing to say, "I think I know how we should be organized but we're going to have to learn how to get there" (1977: 319).

During its early years, a problem with leadership theory was that it did not address more basic psychological and sociological phenomena (Janda, 1960). Subsequent research showed that an individual's motivation was based on more than just corporate rewards, but social rewards from informal groups within the organization (Jacobs, 1970). Greenleaf (1996) was one of the first to discuss the personal depth by which true leaders are motivated. He postulated that true leaders are motivated to lead by serving others and providing an opportunity for them to grow. His servant-leadership philosophy has influenced a number of organizations and management thinkers who incorporated these concepts into their work produced in later years.

More recently, studies of leadership have concentrated on topics relating to women (Frantzve, 1979), race (Jennings, 1980), culture (Hofstede, 1978) and learning (Senge, 1990; Bontis, 1995). Recently, Wilson et al. (1994) highlighted five levels of leadership from a structural perspective: a) autocratic; b) central; c) transitional; d) partnering, and e) highly empowering. They claim that as managers make the transformation from commander to coach, the organizational structural process becomes one of *evolution* rather than *revolution*. The role of leaders in the highly empowering level is to share the leadership function with their teams. Ray Stata, CEO of Analog Devices Inc. highlights the importance of supportive leaders in affecting the behaviour of their subordinates:

> Leaders must shift their orientation from controlling subordinates' behaviour to changing their behaviour by facilitating their interactions and development (1994: 190).

Howell and Higgins (1990) interviewed more than 150 individuals and singled out 25 of these as *champions*. They summarized four relationships between their personality characteristics and the resulting leadership behaviours: i) self-confidence (expresses captivating

vision); ii) persistence (pursues unconventional action plans); iii) energetic (develops other's potential), and iv) risk-prone (gives recognition). The challenge put forth for identifying champions is to effectively manage and nurture them so they can actively contribute to innovation success.

Zaleznik's (1977) contribution to the field of leadership has been unique in that he argues that leaders are made and not born. He summarizes their qualities in what he calls the three C's of leadership: a) competence - building on a base of talent; b) character - adhering to the code of ethics, and c) compassion - committed to benefiting others.

In Senge's discussion on the characteristics of a learning organization, he stipulates the importance of leadership:

> The new view of leadership in learning organizations centres on subtler and more important tasks. In a learning organization, leaders are designers, stewards, and teachers. They are responsible for building organizations where people continually expand their capabilities to understand complexity, clarify vision, and improve shared mental models – that is, they are responsible for learning (1990: 340).

The academic literature on leadership is extensive (Avolio and Bass, 1988; Avolio, Waldman and Einstein, 1988; Bass, 1960, 1985, 1990; Bass and Avolio, 1990; Bass, Avolio and Goldheim, 1987; Bass and Yammarino, 1988; Burns, 1978; Hampton, Dubinsky and Skinner, 1986; Howell and Frost, 1989; Howell and Avolio, 1993; Schul, Pride and Little, 1983; Yammarino and Bass, 1990a, 1990b; Yukl, 1981; Yukl and Van Fleet, 1982). Leadership behaviour is a well-known and widely researched topic in a variety of disciplines. Within the

management literature, a distinction is made between three forms of leadership style: transactional, transformational, and lassiez-faire leadership behaviours. Burns (1978) was the first scholar to distinguish between transactional leaders, those who attempt to satisfy the current needs of their followers by focusing attention on exchanges, and transformational leaders who try to raise the needs of followers and promote dramatic changes of individuals, groups and organizations.

Based on transactional leadership theory, the leader should focus on having internal actors perform the tasks required for the organization to reach its desired goals. In doing this, the objective of the transactional leader is to: i) ensure that the path to goal attainment is clearly understood by the internal actors; ii) remove potential barriers within the system, and iii) motivate the actors to achieve the predetermined goals (House, 1971). Put simply, transactional leadership focuses on the business of getting things done. According to Bass (1985), transactional leadership is postulated to result in followers achieving the negotiated level of performance. In this regard, both the leader and the follower agree on what the follower will receive for achieving the negotiated level of performance. However, organizational leadership consists of more than reacting to crisis and fulfilling basic needs. Leadership also depends on individuals accomplishing tasks and activities in a way that improves the contribution of the overall objective of the organization. In this context, leadership is perceived as a transformational process focusing on the mutual needs, aspirations and values that produce positive organizational change and results beyond expectations.

Bass describes transformational leaders as people who:

Attempt and succeed in raising colleagues, subordinates, followers, clients or constituencies to a greater awareness about issues of consequence. This heightening of awareness requires a leader with vision, self-confidence, and inner strength to argue successfully for what is right or good, not for what is popular or is acceptable according to established wisdom of time (1985: 17).

With transformational leadership comes a shift of focus from simply leading followers, by offering rewards, to empowering them to become leaders through the development of a relationship of mutual stimulation and trust. Mintzberg, Quinn and Voyer say that a leader must "become, above all, a creator or shaper or keeper of skills" (1995: 418). Peters and Waterman say that transformational leaders throw themselves into a relationship with followers who feel elevated" (1982: 83). Bass (1985) asserts that transformational leadership will result in followers performing beyond expectations because of the leader's influence. By appealing to the self-interests of subordinates and their shared values, transformational leaders can help their followers collectively maximize performance outcomes.

Research on differences in transformational leadership behaviours between men and women has recently been completed. This research shows that women leaders practice transformational leadership significantly more often than men (Bass and Avolio, 1994). As a result they produce outcomes of greater effort, performance and satisfaction than their male counterparts. Men were found more likely to behave in transactional modes (Bass and Avolio, 1994). These results demonstrate the power of transformational leadership behaviour in affecting results and that woman may have a great predisposition to these behaviours than men.

Management is often confused with leadership and a distinction is necessary. Zaleznik views the influence of leaders as "altering moods, evoking images and expectations, and in

establishing specific desires and objectives" (1977: 71). In comparison, managers are less

omnipotent types (Alvesson, 1995). Nicholls describes the difference:

> Management can get things done through others by the traditional activities of planning, organizing, monitoring and controlling – without worrying too much what goes on inside people's heads. Leadership, by contrast, is vitally concerned with what people are thinking and feeling and how they are to be linked to the environment to the entity and to the job (1987: 21).

CONCEPTUALIZATION OF LEADERSHIP AND PERFORMANCE

There are many approaches to studying leadership and performance. But one framework

that has established significant and consistent links between different patterns of behaviour and

positive and negative performance involves three sets of behaviours: Transformational,

Transactional and *Laissez-Faire* or Avoiding leadership. Table 1 shows the subsets of

behaviours under each of these categories and the associated outcomes.

The first set of behaviours is called *transformational* because the results are substantially

above what is expected. These leaders create success by exhibiting the following five behaviours

significantly more than most managers:

1. **Visioning**: The leader clearly communicates a vision of the future, broadly shared by the members of the organization. This vision describes the ultimate outcomes which people need to achieve, and the leader expresses optimism about the future with strong expressions of personal confidence and enthusiasm. Transformational leaders lead by example, serve as role models and themselves behave in ways consistent with their vision.

2. **Inspiring**: The leader generates excitement at work and heightens expectations of others through symbols and images. In communicating about their vision, they express their dreams in highly motivational language. They give pep talks with high energy, optimism and passion, which in turn builds confidence in their vision and self-confidence in their followers.

3. **Stimulating**: The leader arouses interest in new ideas and approaches and enables employees to think about problems in new ways. This transformational leader encourages rethinking of ideas and questioning of old ways of doing things. He or she actively considers "wild ideas"

and encourages divergent thinking. Intelligence and clear reasoning are encouraged to select from among the creative ideas and to solve problems.

4. **Coaching**: The leader coaches, advises and provides "hands-on" help for others to improve their performance. They listen attentively and express encouragement, support and confidence in others' abilities to achieve the high expectations inherent in the vision. They give positive feedback for strong performance and effort and provide opportunities for development by giving challenging and interesting tasks to their followers (as distinct from keeping all these kinds of jobs for themselves.)

5. **Team-Building**: The leader builds effective teams by selecting team members with complementary skills. They increase trust and self-confidence in the team by sharing information, giving positive feedback, utilizing individual members' skills and removing obstacles to team performance.

Transformational leaders who behave in these ways:

- are seen as more effective and more satisfying to work for
- are promoted more frequently
- develop followers to higher levels of individual and group performance
- produce more innovative products
- receive more patents for work produced by their people
- reduce burnout and stress on the job
- receive higher levels of volunteer effort from their people
- lead units that perform more effectively under stress
- generate greater risk taking, creativity, and tolerance for different perspectives

Transactional Leadership The transactional mode of leadership involves rewards and punishments. The leader recognizes and rewards employees in response to their meeting standards to which they have previously agreed. In classic Management by Objectives procedures, they communicate performance expectations clearly and recognize people for their achievements. These behaviours result in performance consistent with what was expected. If the leader emphasizes shortfalls in performance by criticism and correcting behaviours as the primary responses, then the outcomes are more often below those expected, especially if the leader waits until after the errors or mistakes are made. This does not mean that managers should

ignore unsatisfactory performance. But it implies that the ratio of positive feedback to negative feedback should be carefully monitored so as not to dilute the motivating effects of recognition by carping on shortfalls. It also means that the approach to decrements from expected performance should stress how to meet expectations, as distinct from the shortfall itself.

Laissez-Faire Some leaders' behaviour suggests they believe that the best leadership is least leadership. Although these leaders may think they are empowering their employees, they actually are abdicating more than delegating. To their followers, *laissez-faire* leaders seem uninvolved and appear indecisive. They are often unavailable when needed or when crises occur. As might be expected, these behaviours produce performance well below that expected.

Among the descriptions of exceptional organizational performance provided by our executives was the following insightful story of how transformational leadership can effect change. This high performance occurred when Jason, a transformational leader, took over a plant supervisor position from Ron, a leader who exhibited transactional behaviours.

> Jason replaced Ron, a solid, steady supervisor who had kept things under control and produced reliable results. Ron had a breadth of knowledge and was highly respected by his organization. As a result, his instructions or judgments were rarely questioned or challenged. He did not take risks and little had been done to expand the unit for several years.

> Shortly after Jason was assigned to the new team, his new boss visited the site and set a very interesting and difficult challenge for his organization. After considerable thought Jason decided to call a meeting and laid out the challenge. The meeting started out badly. Everyone knew that the challenge was well beyond the current status and it seemed out of reach. Jason decided to back off in the meetings and said, 'Look, we might not meet the challenge, but let's see what we can do -- you guys are the experts. How can I help?' At this point the mood in the meting changed and John, one of the experts, said, 'I've had some ideas in the past, but Ron didn't want to hear them.' John laid out his ideas, others pitched

in and soon they developed an action plan. Then Jason took the responsibility to ensure that his team had the resources necessary to accomplish the plan.

Over the next several weeks minor changes were made and sure enough, the division got closer to reaching the challenge. Several daily production records were set and Jason dutifully celebrated each one with donuts or ice cream for the entire team. He also made sure these were noted in the plant newspaper. Unfortunately the team was still well away from the challenge. However some new ideas developed through simulation exercises and suddenly the team realized they could reach their goal. Everyone in the team jumped in to help. Could they beat the challenge? After the shift was over at 12:15 a.m. the employees gathered around the report printer to find out if they had done it. The report printed their target production amount....they had met the challenge. The entire team celebrated as if they had won both the World Series and Super Bowl at once!

After that, the team felt there was nothing they couldn't do, and they set several more production records and improved safety levels within the plant. Today that plant continues to be regarded as the top operating team....a special place to work.

As you can see from this transcription, when Jason was asked to describe the exceptional performance and the leadership behaviours accounting for it, he mentioned all the transformational behaviours: clear goals (visioning); open communications and generation of team motivation (inspiring); prudent risk-taking (stimulating); confidence-building (coaching); shared responsibility and winning together (team-building). In addition, he used recognition and celebration, a transactional behaviour, to reinforce the performance. This simple case demonstrates what our more systematic analysis showed: exceptional performance is associated with transformational leadership. But the references to the World Series and the Super Bowl also made clear that the example was from a North American executive. The results of our study provide some cross-cultural insights into the benefits of transformational behaviours, too.

METHODOLOGY

The Leadership Behaviour Inventory (LBI) model was used as a framework to perform a preliminary analysis of the primary data. The leadership categories and the questionnaire to measure these was derived from earlier work by Bass and Avolio (1990) and their Multifactor Leadership Questionnaire (MLQ). The research by these authors and others has shown that transformational leadership is associated with high performance, and augments the positive effects of rewarding behaviours in the transactional mode. Correcting or punishing behaviour and *laissez-faire* approaches have consistently been associated with lower than expected performance.

The primary data used in this paper was collected from several groups of resource industry executives prior to attending a two week international management development seminar. Managers were asked to identify from their work experience an example of exceptional organizational performance. They were then asked to describe the type of leadership and management principles and/or behaviours involved in generating the exceptional performance.

Their reports were then analyzed using the LBI categories of behaviours. For each LBI category, the frequency of the behaviour was noted. During the analysis of the reports, other characteristics associated with the exceptional performance not included in the LBI framework were also noted. Specifically, the reports mentioned cultural sensitivity as an important factor in exceptional leadership.

Statistical analysis was performed to find significant differences in the ranking of the leadership behaviours. Six clusters of countries known to be culturally similar were created. These cultural clusters were then analyzed to test for significant correlation's in their use of specific behaviours. In addition, two divisions within this organization were analyzed to test for significant differences in their use of leadership behaviours.

This research has specific limitations which should be recognized. The small number of executives from individual countries (other than the USA) prevented more refined analysis of the cultural differences in leadership. The final limitation is found in the primary data. The reports were written by executives for the purpose of a management development course. Some executives did not answer the questions fully and, if interviews had been conducted, additional information may have been discovered.

Altogether, 145 reports were analyzed from two divisions of the company: petroleum and chemicals (see Figure 1). Fifty-five per cent of the executives were Americans, 15% were from the Commonwealth, 9% were from the Far East, 8% were from Southern Europe, 7% were from Latin America, and 6% were from Northern Europe. The nationalities were clustered as follows:

1. *America*: USA
2. *Northern Europe*: Norway, The Netherlands, Hungry, and Sweden.
3. *Southern Europe*: France, Italy, Spain, and Belgium.
4. *Latin America*: Argentina, Puerto Rico, Panama, Chile, Argentina, Brazil, Cuba.
5. *Far East*: Hong Kong, Thailand, Malaysia, Japan, and Singapore.
6. *The Commonwealth*: Canada, Great Britain, Scotland and Australia.

RESULTS

Transformational leadership represented the clear majority of behaviours identified in the executives' descriptions of exceptional organizational performance. Analysis of the reports revealed that 89% of the descriptions included the use of *visioning* as a key element in producing the exceptional performance. *Intellectual stimulation* appeared in 80% of the reports, and *team-building and coaching* were cited in 73% of the descriptions as resulting in exceptional performance. *Inspiring* behaviours were included in 68% of the reports. Taken together these transformational behaviours dominated the descriptions of outstanding organizational outcomes. The only transactional behaviour cited in more than half the reports was *recognizing/rewarding* (62% frequency).

Neither *correcting* nor *avoiding* behaviours were associated with many of these descriptions of high performance (15% and 3%, respectively, of the reports contained these types of behaviours). Some of the reports included them as ineffective styles of management, as a point of comparison by which they could demonstrate the efficacy of transformational behaviours. But in the vast majority of reports of exceptional performance there were no references to correcting or avoiding behaviours.

In order to analyze whether or not different patterns of leadership were associated with exceptional performance by executives with different cultural backgrounds, six cultural clusters were identified. Of the many possible comparisons, the main finding was that transformational behaviours are universally associated with exceptional performance (see Figure 2) No significant differences were found in the frequency of citation among the visioning, coaching and

stimulating behaviours. These behaviours were associated with exceptional performance across all the clusters of cultures. Furthermore, the lack of avoidance behaviours in the descriptions was also consistent across the cultural groupings (see Figure 3).

There were only a few exceptions to the universality of these patterns (see Table 2). Americans reported more *correcting* behaviours associated with exceptional performance than the Latin American group ($0.23 > 0.00$, $t = 4.01$, $p < 0.001$). Southern Europeans exhibited more *recognizing* behaviours than the Far Eastern and Latin American groups ($1.17 > 0.31$, $t = 2.22$, $p < 0.05$; $1.17 > 0.31$, $t = 2.14$, $p < 0.05$). Americans reported more *team-building* behaviours than their Far East colleagues ($2.20 > 0.92$, $t = 3.37$, $p < 0.01$). Americans also reported more *stimulating* behaviours than the Southern Europeans ($2.52 > 1.25$, $t = 2.42$, $p < 0.05$). Finally, the inspiring behaviour provided the most differences. Managers from the Southern Europe, Northern Europe and the Commonwealth all had significant differences in *inspiring* behaviours versus the Latin Americans ($2.17 > 0.70$, $t = 2.22$, $p < 0.05$; $1.56 > 0.70$, $t = 2.39$, $p < 0.05$; $1.55 > 0.70$, $t = 2.10$, $p < 0.05$).

The one surprising finding was that Americans included team-building more frequently in their explanations of the exceptional performance than did the Far Eastern group. We thought the reverse would be true. In retrospect, a combination of factors may explain the actual results. It is possible that the rapid increase in the use of self-managed work teams in the U.S., and the accompanying increase in related training, has sensitized Americans to the importance of teams to effective performance. Secondly, we may have erred in thinking that the greater emphasis on collectivism in Asian societies would manifest itself in the team behaviour at work. Instead, with

the clarity of hindsight, it is probable that functioning in teams is more often reserved for family contexts, and that at work, even in high performance circumstances, hierarchy and to a lesser extent, individualism, are the hallmarks of Asian relationships.

These differences provide useful clues for expatriate managers working in the regions cited above, especially if they have been sent to lead significant organizational improvements. They may have to make adjustments to their own leadership behaviour and recognize that of the locals as valid for them.

Most of the large petrochemical companies in the world have some basic organizational differentiation between their oil/gas activities and their chemical operations. These are frequently matched by differences in corporate culture and leadership style. The company in our study is no exception to this observation. In fact the company is filled with anecdotes about these differences, which sometimes seem exaggerated when described to outsiders. However, the stereotypic differences in the folklore of the petroleum and the chemical divisions of the company seemed confirmed by the very different reactions to the same case studies and management materials in their parallel international development programs. The shared sense of the differences between the divisions include the degree of formality, hierarchy, empowerment, managerial experimentation, change methods, etc. The Chemical Division is associated with more free-wheeling methods in contrast to the more conservative, disciplined approach of the Petroleum Division. Therefore, even though the executives in both groups were given identical pre-course assignments to identify exceptional organizational performance and to describe the leadership behaviours that accounted for it, we expected a different pattern of responses. If the

stereotypes were rooted in any real differences, the ways of accounting for exceptional performance should also manifest the cultural differences, so we reasoned.

What we found provided strong empirical evidence of the informal stories of the companies' differences (see Figure 4) The differences in mean numbers of citations showed a consistent pattern of the Chemical Division's more frequent association of all five clusters of transformational behaviours compared to the Petroleum Division. One of the transactional categories also exhibited the same pattern of Chemicals using the recognizing behaviour more frequently. Of these, only the differences in *stimulating*, *team-building*, and *recognizing* behaviours were statistically significant ($2.56 > 1.88$, $t = 1.96$, $p < 0.05$; $2.53 > 1.45$, $t = 3.27$, $p < 0.01$; $0.98 > 0.34$, $t = 3.95$, $p < 0.001$). Although the difference in correcting behaviours was in the expected direction (Petroleum $>$ Chemicals), the size of the difference in means was not statistically significant.

Taken together, the data supported the commonly accepted notion that there are differences between the company that are meaningful.

DISCUSSION

Since this study provides evidence that transformational leadership behaviours are related to exceptional performance, managers would be advised to use these behaviours to generate high performance. Most organizations demand that their leaders produce this type of success yet these leaders may be unaware of how their style affects performance. Managers can gain this awareness through personal introspection, subordinate feedback, and various coaching and

training techniques. By encouraging this type of skill development in your organization you increase the probability of improved performance.

Managers may ask how specific transformational leadership behaviours can be used to effectively create change within their own divisions. The fact that many organizations have corporate visions today which are already communicated by senior executives, may lead others to assume that the visioning behaviour has already occurred. However this corporate vision is not likely enough to create exceptional performance on new initiatives or projects. If a manager wants to generate exceptional performance they need a vision specific to the task at hand and their own department. The executive reports in our study attributed their organizational success to the fact that management set clear long term business goals and competitive strategies directly related to the project. "Identifying clear concrete objectives" was critical to success. Organizational performance is directly related to the managers ability to communicate a viable and realistic vision in order to gain respect and trust. One report discussed that a "clearly articulated vision of the future state" enabled the success. "Clear senior management's commitment to the task to be performed and agreement on the broad means as to how it would be achieved" was very important. Many executives recognized the importance of other visioning behaviours including leading by example, serving as a role model and leading by "doing" rather than simply by "telling". One executive attributed the success to the leader: "a very visible leader, who 'walked the talk', the leader led by example and was a great teacher." Managers should set aggressive development goals and use visioning behaviours to communicate these goals throughout the organization.

In order for these behaviours to be reinforced, systems supporting these behaviours should be incorporated into your organizational structure. A system supporting new idea generation is critical to producing exceptional performance. Try building innovation into the culture of your department. For example encourage mistakes - one executive expected his employees to be involved with prudent risk-taking and to make mistakes since that is how, he believed, learning and innovation occurred. Another executive stressed that one of the key beliefs contributing to their turnaround was "no witch hunts and blame-seeking when problems occurred....instead, problems were analyzed constructively to develop innovative solutions for the future". Many of the reports stressed that making information available, allowing independence of thought and action, empowering task forces, holding weekly conference calls, brainstorming sessions, and utilizing idea generation group work were key behaviours to creating the success. One executive stated that the exceptional performance occurred when " a total quality mode of working was adopted by all the employees using rigid quality systems (ISO 9002, financial controls, etc.) with an innovation mindset built in as a way of life which continuously improved through these systems." Another report commented on how "extremely innovative people became role models for tackling 'what could be done' rather than focusing on 'why things had to change.'" Think about what types of systems and role models you can used in your organization to encourage stimulation. Dynamic leaders lead people to exceptional performance by setting up systems which reinforce the transformational behaviours they aim to create.

Coaching is an element which was mentioned repeatedly in the reports. In these reports the leaders did not approach the situations in a 'top down' manner. Instead, their people were

empowered and coached to work more effectively on their task. One department improved their coaching techniques by using "performance counselling discussion focused on improvement opportunities rather than dwelling on shortcomings." One executive stated that "my role as a manager consisted of regular stewardships, keeping a constant direction, helping as necessary, encouraging when needed, and motivating." Another believed that "keys to success were outstanding focus on the job at hand and a high concern for the individual people involved." It is important for managers to clearly understand a coach's role and reflect on whether they are emulating this behaviour.

Teamwork has become an essential element of success within corporate cultures at an international level. The majority of the reports studied in this analysis emphasized teamwork as a key element in the work environment which enabled the organization to accomplish far more than separate individuals might otherwise have done. Team-building ranked in the top three traits identified as necessary by executives to achieve high performance. These accomplishments were documented as being achieved through co-operation; a collective pooling of energies, resources, and knowledge; combined with internal leadership which provides educational tools, and champions group decisions while providing feedback and support. Management went out the way to "protect the work teams for the organization so they could do the work". "Team members were selected on the basis of their skills, knowledge and proven capability." It was clear that "attention to initial team-building to generate the right environment from the beginning with individuals coming from varied backgrounds" was important to success. It was also made clear that many of the responsibilities which otherwise might have been delegated to the manager, were shared among group members. In some reports it was acknowledged that

teamwork was not always a natural method of getting things done. It is critical that management understand that teamwork does not come naturally to all employees. For teamwork to be effective, careful training and development are required. As teamwork increases in importance, the managers who foster team-building will add impact to their leadership.

In these reports many situations were considered to be 'in crisis' before the exceptional performance began. Leaders must learn how to tailor their leadership behaviours in anticipation of crisis rather than in reaction to them. Creating visions and measurement systems before the crisis is evident will help. Being patient for results to be visible is important too, since the reports demonstrated that impact of change takes time. In addition, taking smaller steps in managing change was seen as enhancing its effectiveness. In describing the examples of exceptional performance the executives also noted the importance of institutionalizing rapid transfers of learning on a global basis.

CONCLUSION

One executive's remark can summarize the content of all the reports: "key learnings from this experience were that a clearly focused, committed organization with strong visible leadership can accomplish what might otherwise be seen to be the impossible!" Organizations can produce exceptional performance through effective leadership. The clear implication of this study is to encourage leaders to use transformational behaviours to generate this performance. Although leaders' applications of these behaviours will need to adapt to cultural differences, the transformational leadership style will universally help leaders work more effectively with people to reach their needs and create exceptional performance.

TABLE 1
LEADERSHIP BEHAVIOURS AND PERFORMANCE

LEADERSHIP BEHAVIOURS	PERFORMANCE
Transformational • visioning • inspiring • stimulating • coaching • team-building	**Beyond Expectations**
Transactional • rewarding • coaching	**Meets Expectations**
Lassez-Faire • avoiding	**Below Expectations**

FIGURE 1
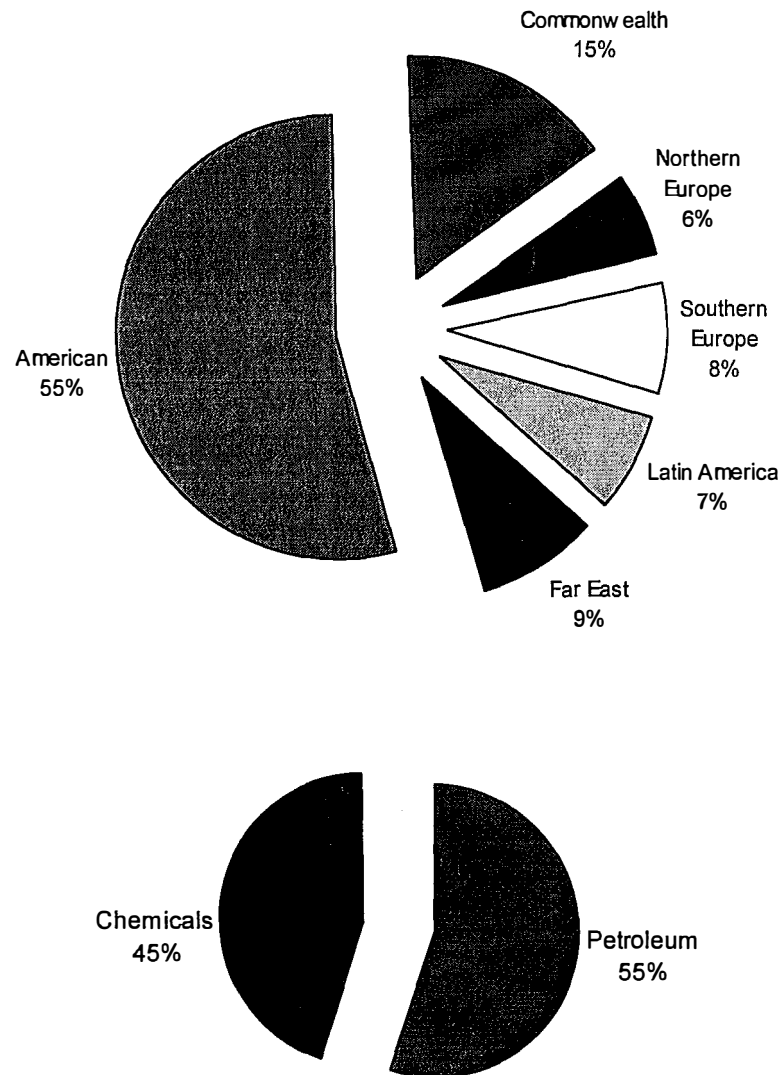## BREAKDOWN OF SAMPLE BY CULTURAL CLUSTER AND COMPANY DIVISION

FIGURE 2
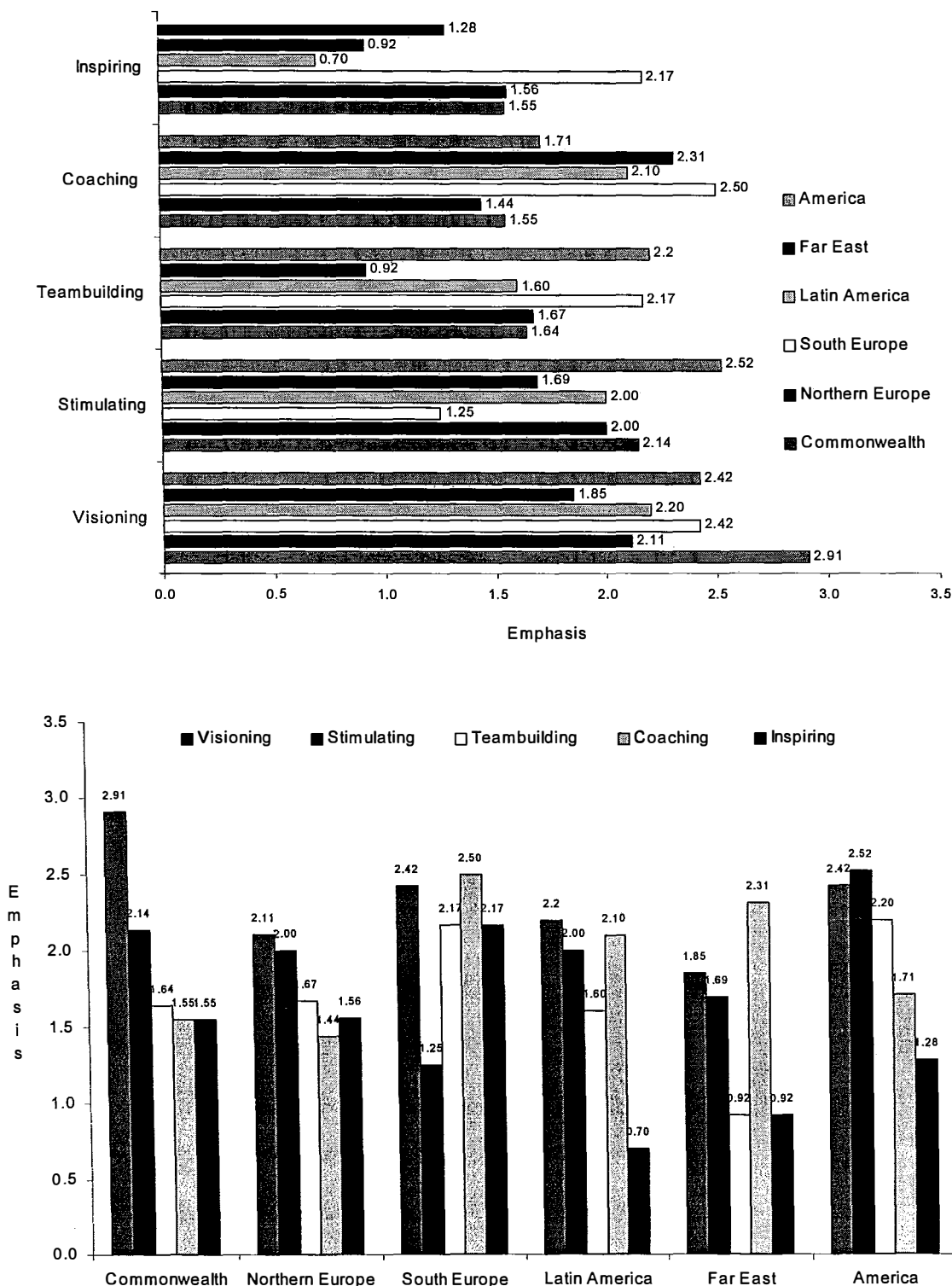### TRANSFORMATIONAL LEADERSHIP BEHAVIOURS BY CULTURAL CLUSTERS

FIGURE 3
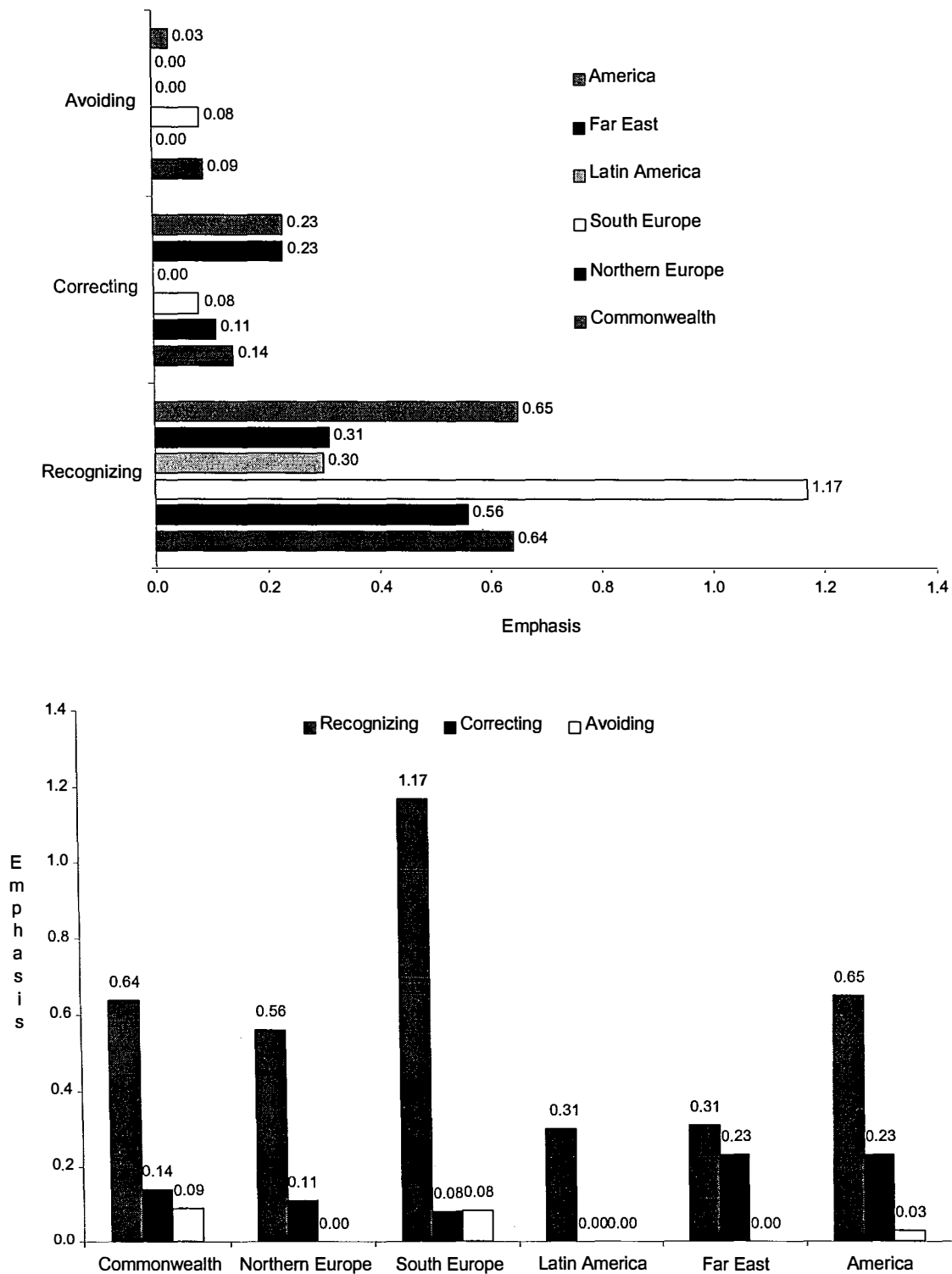**TRANSACTIONAL / LAISSEZ-FAIRE LEADERSHIP BEHAVIOURS BY CULTURAL CLUSTERS**
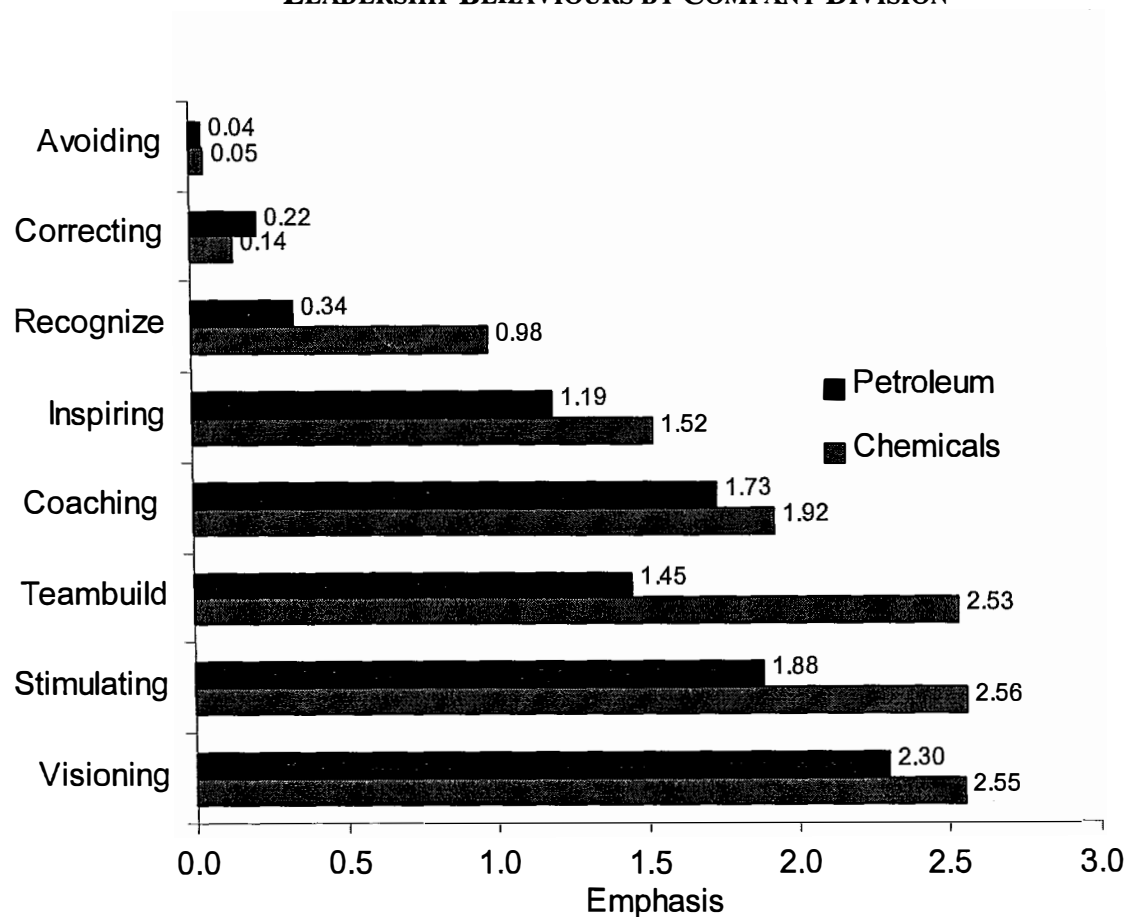
FIGURE 4
LEADERSHIP BEHAVIOURS BY COMPANY DIVISION

TABLE 2
SUMMARY OF RESULTS

BEHAVIOUR	CLUSTER (HIGHER)	CLUSTER (LOWER)	t-STAT	p-VALUE
Correcting	America	Latin America	4.01	< 0.001
Recognizing	Southern Europe	Far East	2.28	< 0.05
		Latin America	2.14	< 0.05
Team-building	America	Far East	3.37	< 0.01
Stimulating	America	Southern Europe	2.42	< 0.05
Inspiring	Southern Europe	Latin American	2.22	< 0.05
	Northern Europe		2.39	< 0.05
	Commonwealth		2.10	< 0.05

BEHAVIOUR	DIVISION (HIGHER)	DIVISION (LOWER)	t-STAT	p-VALUE
Stimulating	Chemicals	Petroleum	1.96	< 0.05
Team-building	Chemicals	Petroleum	3.27	< 0.01
Recognizing	Chemicals	Petroleum	3.95	< 0.001

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