



## CROSS-CULTURAL COMPARISON OF LEADERSHIP PRACTICES FROM SLOVENIA AND PORTUGAL USING THE GLOBE RESEARCH PROGRAM METHODOLOGY

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### Abstract

Leadership may account for up to 45 per cent of an organization's performance (Day and Lord, 1988). As a research strand, leadership has been subject to scientific research from various angles for over 100 years, providing a plethora of definitions and research typologies, which all give merit to its ambiguity and complexity (Stogdill, 1974). One of these research 'angles' - cross-cultural leadership - examines the aspect of universal validity of leadership and its practices, and questions the cultural context of leadership. This paper uses the GLOBE research program methodology (House et al., 2004) as one of the most frequent studies and research approaches to cross-culture comparison of leadership practices. By comparing Slovenia and Portugal, it aims to provide managerial implications for cross-cultural leadership practices between the two selected countries and expand empirical evidence, which until now has been predominantly from large, western countries.

**Key Words:** Culture, leadership practices, Slovenia, Portugal.

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### 1. INTRODUCTION

Leadership is one of the oldest world preoccupations, which, not only limited to the human race, occurs in all social and biological settings regardless of geography, culture or nationality (Zagoršek, 2004). The conceptualization of a

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leader and its term is thought to have emerged as far back as 1,300 BC, whereas the concept of leadership (as a process and social function) presumably evolved only in the 18<sup>th</sup> century (Stogdill, 1974). While human history is full of iconic and timeless leader figures, e.g. Alexander the Great, Julius Cesar or Napoleon, it was their interaction with other cultures that helped them to achieve their divine historical status, bringing to the forefront of scientific thought the question of leadership, culture and their interaction.

While contemporary studies of leadership aim to integrate the many definitions of leadership existing in literature today, they may target a plethora of different aspects, such as the impact of leadership on organizational performance (Day and Lord, 1988), the link between leadership and follower satisfaction (Schriesheim and Neider, 1996) or examining the cultural embeddedness of leadership practices (House *et al.*, 2004). In general, contemporary research of leadership may be more or less classified into 4 broad research areas. Some studies for example focus on identifying and comparing the (1) **key personal characteristics of leaders**, which has evolved into the "Trait theory" of leadership (Yukl, 1989), looking at leaders from a psychological perspective. Other theories and research strands focus on (2) **exploring patterns and types of behaviors and interaction** between leaders and their follower groups. This evolved into the so-called "Behavior approach" to the study of leadership (Ohio State University and University of Michigan) and looks at leadership as a sociological phenomenon. Other research focuses on (3) **studying leadership in various social contexts**, e.g. organizations, the military, education, politics, formal vs. informal groups, etc (Bass, 1990).

We have briefly outlined 3 main research areas relevant to leadership, which have provided a conceptual platform for the evolution of an array of leadership theories. The last leadership research area deals with the (4) **relationship between leadership and culture** and how culture influences leadership practices. This is the main research and conceptual focus of this paper, and will be explained in more detail further on. The aim of the paper is to compare leadership practices (behaviors) and cultural dimensions between Slovenia and Portugal, based on research conducted among working MBA students, with work experience both in Slovenia and Portugal. We use the GLOBE research program approach (House *et al.*, 2004) because it is one of the most frequent studies and research approaches to cross-culture comparison and leadership behavior practices to date.

Following this introduction, the rest of the paper is organized as follows. The first part provides a summarized theoretical base and defines the concepts of leadership, culture and cross-cultural leadership. In the second part we outline the GLOBE program methodological approach to cross-cultural leadership. The third part explains the methodology of our research, followed by a brief description of the samples for Slovenia and Portugal. In the fifth part, we compare Slovene and Portuguese leadership practices on selected dimensions of the GLOBE program

methodological framework. Finally we describe the limitations of our study and suggest avenues of future research, followed by managerial implications and a conclusion.

## 2. A BRIEF OVERVIEW OF KEY LEADERSHIP DEFINITIONS

Burns (1978) describes leadership as one of the most studied, researched and least understood phenomena on Earth. According to Stogdill (1974) leadership has as many definitions as there are persons trying to define it. Rauch and Behling (1984) emphasize the interaction-based process of leadership on a group in achieving common goals. In another view Merton (1957) highlights the interpersonal relationship, where individuals follow the guidelines of a leader because they want to and not because they have to. Richards and Engle (1986) point out how leadership sets a vision, personifies values, and creates an environment where "things get done".

Hosking (1988) believes that leaders are those who comprehensively and successfully contribute to a social group's (or society's) well being, i.e. those from whom this is expected and in whom it may be clearly observed. For Schein (1992) on the other hand, leadership represents the ability to step outside the (existing) culture and to start the process of evolutionary change. Having outlined some of the key issues relevant to defining leadership, the paper in the next step aims to provide some of the most widely used definitions in modern literature. One of the earliest modern definitions of leadership was developed by Hemphill and Coons (1957), who understand leadership as an individual's behavior, directing group activities towards a shared goal. Yukl (1989) sees leadership as a process of influencing others for the purpose of understanding and agreeing on the needs and activities, and the process of encouraging individual and collective efforts towards accomplishing shared goals. Even more descriptively, House and Shamir (1993) define leadership as the individual's ability to motivate members of the group to replace self-interest with a collective vision and to act towards achieving that shared vision. Zagoršek (2004), on the other hand, sees leadership as a leader-follower influence process, where the leader influences, motivates and facilitates group organization activities toward goal achievement, mostly by non-coercive methods. Relevant to the focus of our paper is also the definition of the GLOBE researchers, who see leadership as the ability of the individual (leader) to influence, motivate and enable other group members to contribute towards the effectiveness and success of the organization of which they are part (Dorfman and House, 2004).

Bass (1990) points out how the appropriate definition of leadership depends on the method of observing it (leadership), the epistemological view point of

the researcher and the purpose of the research/definition. Thus, Bass (1990) outlined 12 different ways of leadership conception. Zagoršek (2004) points out the ambiguity of a universal leadership definition which is true for all social, psychological and complex phenomena. Bass (1990) in turn points out how the distinction between leadership and other socio-influential processes are often unclear. Also important, Zagoršek (2004) links the definition of leadership with the institutional context, where it is researched. Furthermore, as Zagoršek (2004) importantly points out, regardless of apparent differences and the number of definitions linked to the concept of leadership, most of the definitions usually share a common denominator that leadership is a group phenomenon, based on the interactive relationship between at least two persons. In addition, the majority of definitions also involve an influence-based process, where one person intentionally influences other group members.

By understanding leadership first and foremost as an interactive and influence-based process, Zagoršek (2004) outlines 3 important characteristic groups, which through their interplay shape and define the leadership process:

1. **Leader characteristics** (personality, values, ethics, behavior, etc.);
2. **Follower characteristics** (personality, values, needs, expectations, behavior, etc.);
3. **Situational characteristics** (type of organization, institutional context, group size, distribution of power and authority, national culture, etc.).

### 3. GRASPING CULTURE

If there are many definitions of leadership, then the definition of culture is indeed one of the true faces of ambiguity. Culture is all around us, we are immersed in it, and it is often hard to grasp, define and conceptualize. After elaborating over 100 definitions of culture, Kluckhohn (1951) defined culture as patterned ways of thinking, feeling and reacting, which are acquired and transmitted mainly through symbols in order to constitute the distinctive achievements of groups, including their embodiments and artifacts. Trompenaars (1993) defines culture as a context in which things happen. To him culture represents a shared system of beliefs and meanings, influencing how members of a certain group act, what they value, and what they pay attention to. According to Dahl (2003) culture connects and is shared between members of one group, which distinguishes it from other groups. Importantly, it is learned, not inherited, and influenced by individual personalities of members.

Triandis (1994), on the other hand, sees culture as a set of human-made objective and subjective elements, which have in the past increased the

probability of survival and resulted in satisfactions for the participants in a given environment. Perhaps one of the most pertinent analogies to culture was made by Hofstede (1980), who compared culture to a collective programming of the mind, drawing parallels with information technology and the distinction between software (culture) and hardware (physical environment). House, Javidan and Hanges (2002) see culture as a set of shared motives, values, beliefs, identities, interpretations and meanings of significant events, resulting from common and every day experiences of members within collective groups (societies) that are passed across ages and generations. Trompenaars (1993) and House *et al.*, (1997) all agree that there is no current, universally agreed-upon definition of culture, and nor is it likely that there ever will be.

Yet again, despite existing differences in culture definitions and conceptualizations, several key denominators may be drawn (House, Wright and Aditya (1996):

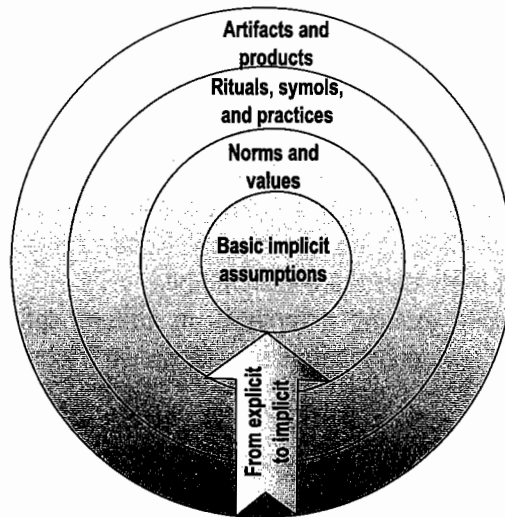
1. Culture as a form of collective agreement.
2. Culture as a form of shared meanings.
3. Awareness of sharing.
4. Common patterns of behavior, cognitions, emotions and norms.
5. Visual manifestations of these common patterns (language, rituals, symbols, etc.).
6. Common experiences as important antecedents of developed cultural patterns.
7. Culture as a social influence and identification process.
8. Culture as a socializing force (social glue).
9. Culture is learned and trans-generational.
10. Culture is used for individuals to abide by.

An important approach to studying and understanding culture lies in looking at culture as a multi-layered social process. Such a view was adopted mainly by Trompenaars (1993), who defined the concept of the layers of culture and portrayed culture as a sort of onion, consisting of several layers as shown in Figure 1.

Referring to Figure 1, the inner most core of culture consists of the most implicit of all layers – the basic assumptions (human existence, purpose of living, etc.). The second layer refers to norms and values, pertaining to a sense of correct behavior (norms) and notions of good and bad (values). The third layer relates to rituals, symbols and practices, while the fourth and most explicit of layers refers to artifacts and products, produced and traded by members within a culture. In addition to this, culture also relates to and consists of institutions, religion, education systems, aesthetics and materialism (attitude towards material things).

FIGURE 1

**The layers of culture as a social phenomenon**



Source: Kržišnik, 2007; adopted from Zagoršek, 2004 and Trompenaars, 1993.

#### 4. CROSS-CULTURAL LEADERSHIP

Cross-cultural leadership has evolved into a major research strand in the last 50 years or so, given the increasing trends in globalization and interconnection of world markets and economies, an increased need to compete internationally, and the fact that effective organizational leadership in an international context is key to the success of international operations. As noted by Coca Cola's former CEO Doug Ivester: "While economic barriers diminish, cultural barriers increase and present new challenges for the organization." (Zagoršek, 2004). Yet, despite this view, Hofstede (1980) points out how leadership universality and international validity is still one of the underlying assumptions of most contemporary leadership research.

For example, while a common grasshopper might be viewed primarily as a pest in the Western world, people in China often have them as pets (instead of hamsters), and in Thailand fried grasshoppers are a revered delicacy (snack) (Early and Mosakowski, 2004). Such a simple example best illustrates how cultural settings affect our everyday optics and understanding of the environment surrounding us. This is also very true for organizational leadership –for example while a complaining worker is perceived by a Danish manager to be overstressed (having too big a workload) and unsatisfied, a Slovene manager sees him as unwilling to work and will usually apply additional pressure to get things done.

House *et al.*, (1999) point out how increased globalization of industrial organizations and interdependencies between markets and nations have led to the need for a better understanding of cultures and of cultural influences on leadership and practices. Javidan and House (2001) emphasize how competent, global leaders were rated as one of the key competence factors by international American Fortune 500 companies. Despite this, 85 per cent of such companies at the same time believed they were lacking adequate global leaders who were effective, yet sensitive to diverse cultural settings. According to Dorfman (1996), apart from apparent practical implications, every cross-cultural leadership research also makes an important scientific contribution, since the goal of science is to build universal (leadership) theories that transcend cultural contexts. While a great deal of debate exists today linked to universality vs. cultural-specificity of leadership practices (Carl and Javidan, 2001; Dorfman and Howell, 1997), this paper follows the universality perspective of Bass (1990) and of the GLOBE research program (House, 1993; House, 1998).

House and Javidan (2004) point out how cross-cultural leadership research – although it has evolved substantially in the last decades – is still at times a-theoretical, lacking universality, dealing with methodological problems, and fragmented in terms of publishing. In terms of universality, Bass (1990) points out how Western leadership theories (mainly US) often cannot capture the diversity and complexity of relationships in other Non-Western countries. A similar observation has been reached by Hofstede (1993). Having said this, every cross-cultural research brings us closer to a more generalized and universally applicable theoretical framework, which is more sensitive to cultural context.

## 5. THE GLOBE RESEARCH PROGRAM

The Global Leadership and Organizational Behavior Effectiveness Research Program (GLOBE) developed by Robert House in 1993 represents today one of the most important large-scale research projects in the field of cross-cultural organizational leadership in the world. The GLOBE research program aims to examine the links between (1) social and cultural contexts, (2) organizational cultural contexts and (3) organizational leadership dimensions. The overarching goal is to develop a universally applicable theoretical and methodological framework that transcends cultures and may be applied world-wide. In the mid 1990s a large team of researchers collected data from over 17,000 middle managers in over 950 organizations in 62 countries world-wide, in a variety of industry settings spanning from telecommunications to food processing and finance. The research is the biggest replication, extension and upgrade of Hofstede's cultural dimensions research to date, and it has identified 9 cultural dimensions (House *et al.*, 2004):

1. **Power distance** – degree and expectancy of power distribution by members in organizations and societies;
2. **Uncertainty avoidance** – level of tolerating risk and uncertainty by members in organizations and societies;
3. **Collectivism I:** institutional collectivism – degree of toleration and practice of collective distribution of resources and action in organizational and societal institutions;
4. **Collectivism II:** in-group collectivism – degree to which individuals express pride, loyalty and cohesiveness in their organizations and families;
5. **Gender egalitarianism** – degree of gender role equality;
6. **Assertiveness** – degree to which individuals are assertive, confrontational and aggressive in social relationships;
7. **Future orientation** – degree of future-orientation behavior engagement by individuals;
8. **Performance orientation** – degree of rewarding and encouraging members for performance improvements and excellence;
9. **Human orientation** – degree of rewarding individuals for being fair, altruistic, friendly, generous, caring and kind to others.

The underlying assumption of the GLOBE research program is that culture is a set of basic and shared practices and values that develop over time (Dorfman and House, 2004). Having said this, the GLOBE research program measures both cultural practices (as things are) and values (as things should be).

### 5.1. Comparing Slovene and Portuguese cultures on GLOBE culture scores

There are many grounds for comparing Slovenia and Portugal. First and foremost, the paper tries to extend the empirical data away from predominantly US-based research and research focusing on large and developed western societies. In this view, both Slovenia and Portugal are small European countries; Slovenia has a little over 2 million inhabitants and Portugal some 10 million. In addition, both countries share a history of socialist rule, with Portugal escaping from Salazar's New State from the mid 1970s and Slovenia gaining independence after the collapse of Yugoslavia at the beginning of the 1990s. Today, both Portugal and Slovenia are members of the European Union (Portugal since 1986, Slovenia since 2004). In terms of development Portugal GDP per capita is currently in the mid 70 to 80 percent range of the EU-27 average, while Slovenia is in the 90 to 95 per cent range. Thus, given the 9 cultural dimensions outlined by the GLOBE research program, Table 1 displays a comparison of the 9 GLOBE relative culture scores for Slovenia and Portugal (House *et al.*, 2004).



TABLE 1

**GLOBE program culture relative scores for Slovenia and Portugal\***

	SLOVENIA	
	Practices	Values
Performance orientation	26	90
Future orientation	32	58
Egalitarianism	92	83
Assertiveness	41	67
Institutional collectivism	45	30
In-group collectivism	67	49
Power distance	75	33
Human orientation	30	48
Uncertainty avoidance	36	75

Source: House et al., 2004. \*On a scale between 0 and 100.

Despite being measured on Likert scales, the data in Table 1 give relative scores, ranging from 0 to 100, with 100 being assigned to the highest score and 0 to the lowest score of the 62 countries that were compared. As can be seen from the relative scores, both Slovene and Portuguese cultures score on average relatively high on the dimensions of (1) Egalitarianism, (2) Power distance and (3) In-group collectivism. Both cultures score relatively low on (4) Performance orientation and (5) Future orientation. The biggest relative differences between the two cultures are on the dimensions of (6) Assertiveness and (7) Egalitarianism, with Slovene culture displaying statistically significantly higher average scores in both cases (level of significance  $\alpha=0.05$ ).

Based on the GLOBE research program methodology and the culture scores (mainly linked to values) presented above, the GLOBE research program suggests the existence of culturally-based and shared concepts of leadership, referred to as culturally-endorsed and implicit theories of leadership (CLT). Having said this, 6 global CLT leadership dimension may be observed as follows (House *et al.*, 2004):

1. **Charismatic/Value-Based leadership** – (visionary, prepared, plans ahead, enthusiastic, honest, sincere, improvement-oriented, excellence-oriented, performance oriented);
2. **Team Oriented Leadership** – (group-oriented, collaborative, diplomatic, communicative, win/win problem solver, organized, good administrator);
3. **Participative leadership** – (autocratic, bossy, elitist, dictatorial, delegates);
4. **Autonomous leadership** – (individualistic, independent, autonomous, unique);

- 5. **Human-Oriented leadership** – (modest, self-effacing, patient, generous, compassionate);
- 6. **Self-Protective leadership** – (self-centered, status conscious, class conscious, intra-group competitor, secretive, indirect, avoids negatives).

The GLOBE research program suggests that (1) **Charismatic/Value-Based** and (2) **Team-Oriented leadership** dimensions are 2 out of 6 global CLT dimensions that are perceived universally to contribute to effective leadership. One dimension (3) **Participative leadership** is seen as a contributor to effective leadership, while one dimension (4) **Self-proactive leadership** is seen as an impediment to effective leadership. (5) **Human-oriented** and (6) **Autonomous leadership** vary in importance and impact on effective leadership by cultures (House *et al.*, 2004). Table 2 displays GLOBE CLT relative score for Slovenia and Portugal (House *et al.*, 2004).

TABLE 2

**GLOBE program CLT relative scores for Slovenia and Portugal\***

	SLOVENIA	PORTUGAL
Charismatic/Value-based	61	
Team-Oriented	80	
Participative	58	
Human-Oriented	32	
Autonomous	85	
Self-Protective	51	

Source: House *et al.*, 2004. \*On a scale between 0 and 100.

As can be seen from the results displayed, Slovene CLT relative scores are statistically significantly higher for the dimensions of (1) **Autonomy** and (2) **Self-Protectiveness**, meaning Slovenes prefer or link effective leadership with a higher level of autonomy and are more self-centered and focused on self-preservation within the organization.

## 6. RESEARCH METHODOLOGY

In this section the paper first outlines the main research questions of our research, presents the research hypotheses and describes the research instrument, sampling and the general methodological approach.

## 6.1. Research questions and hypotheses

The main research questions of our research were the following:

1. Do leadership practices differ between Slovenia and Portugal?
2. Which leadership practices differ between the 2 countries?
3. In what way do they differ?
4. What is the intensity (scale) of these differences?

Based on the above outlined research questions the following research hypotheses were tested:

Hypothesis 1: *Given the quite strong similarities of GLOBE culture relative scores for Slovenia and Portugal, there will be no statistical significant differences in the usage of all 5 leadership practices between Slovenia and Portugal.*

Hypothesis 2: *The least frequently (strongly) used leadership practice in Slovenia and Portugal will be Inspiring a shared vision (ISV).*

Hypothesis 3: *The most frequently (strongly) used leadership practice in Slovenia and Portugal will be Enabling others to act (EOA).*

Hypotheses 2 and 3 are based on Kouzes and Posner's results, where Enabling others to act (EOA) was ranked number 1 and Inspiring a shared vision (ISV) was ranked number 5 among given leadership practices.

Hypothesis 4: *Challenging the process (CP) will be a more frequently (strongly) used practice in Slovenia, than in Portugal.*

Koopman *et al.*, (1999) argue that high uncertainty avoidance cultures, which emphasize rules and procedures to avoid risk, place different demands on leaders from low uncertainty avoidance countries, where challenging existing rules and procedures is consistent with their higher inclination for risk taking.

Hypothesis 5: *Enabling others to act (EOA) will be a more frequently (strongly) used practice in Portugal, compared to Slovenia.*

Returning back to the comparison of GLOBE culture relative score in Table 1, Portuguese culture scores significantly lower on the dimension of Assertiveness compared to Slovenia. One of the characteristics of cultures that score low on Assertiveness is that such societies value cooperation and collaboration over competition.

## 6.2. Survey instrument

Leadership behaviors of Slovene and Portuguese respondents were measured with the Leadership Practice Inventory (LPI) methodology, developed by Kouzes and Posner (1987). There are 2 versions of the LPI test: the (1) self-reporting test, where respondents evaluate themselves and the (2) observer evaluation, based on the 360 degree evaluation approach. The results of our research are based on the first approach that is the self-reporting test.

The LPI tool uses 30 statements (measured on 5-point Likert scales) that are linked to 5 leadership practices and are originally based on the analysis of over 1,100 manager written responses about their own best experiences at being leaders. The analysis of written responses to 32 open-end questions was in the second part complimented by over 500 personal in-depth interviews conducted with middle or senior managers. Based on this, 5 behaviors that were common to successful leaders were outlined and measured (Kouzes and Posner, 1987, 2002). These were the behaviors that we measured in our research:

1. **Challenging the process (CP)** – searching for challenges and opportunities, questioning status quo, risk taking and experimenting.
2. **Inspiring a shared vision (ISV)** – creating and motivating a vision of the future and persuading others to pursue that vision.
3. **Enabling other to act (EOA)** – creating possibilities for other to act, empowering and encouraging others, facilitating collaboration.
4. **Modeling the way (MW)** – setting an example, planning small wins, being consistent.
5. **Encouraging the heart (EH)** – providing positive feedback, recognizing individual achievements, celebrating team accomplishments.

The 5 Practices of Exemplary Leadership model developed by Kouzes and Posner (1987) belongs to the neo-charismatic strand of leadership theory. The model is on one hand comprehensive enough as it includes most of the transformational behaviors linked to charismatic and transformational leadership theories, while at the same time it is also conceptually easy to understand and apply by practicing managers. Hence, the model has become very popular and is used for research purposes as well as by business organizations world-wide (Zagoršek, 2004). In terms of the reliability of the survey instrument, the reliability of the overall survey instrument in our case was 0.86, using the Cronbach alpha test of reliability. In terms of the specific 5 leadership behaviors, their Cronbach alpha tests were the following for our datasets: (1) **CP** ( $\alpha=0.71$ ); (2) **ISV** ( $\alpha=0.70$ ); (3) **EOA** ( $\alpha=0.60$ ); (4) **MW** ( $\alpha=0.75$ ) and (5) **EH** ( $\alpha=0.68$ ). No additional factor analysis was performed on the data, as we used a standardized survey instrument

of the GLOBE research program and all Cronbach alpha tests were above 0.60 values.

### 6.3. General methodological approach

In terms of sampling a **matched sample** was used. While the use of simple convenience samples is quite widespread among cross-cultural research, it may suffer from many problems. According to Zagoršek (2004) convenience samples may lead to uncontrolled differences in demographical sample characteristics (i.e. education, income, etc) which have been found to be strongly correlated with certain cross-cultural leadership constructs (or variables) and may have a profound impact on research results. To avoid this Van de Vijver and Leung (1997) propose matched sampling, where *"the samples of the cultural groups to be compared are made as similar as possible in their demographic characteristics. The advantage of this strategy is that it reduces the number of alternative explanations for the differences observed and allows for better comparability of samples"* (Zagoršek, 2004). The use of matched sampling was also employed by Hofstede (1997) and Van de Vijver and Leung (1997), and has been consistently used in cross-cultural research (e.g. Zagoršek 2004).

Having said this, the use of working MBA students is consistent with other similar cross-cultural leadership researches world-wide, adopting the matched sampling approach. The use of business and MBA students has been consistently and frequently used in cross-cultural research (i.e. Wafa, 1989; Grunbaum, 1997; Lewars *et al.*, 2000) since it provides matching on the level of education, while at the same time already enabling some business experience by the respondents. According to Zagoršek (2004) *"a major advantage of MBA student sampling is that, although samples are similar in some respects, each sample is quite heterogeneous, in the sense that respondents in each sample come from a wide variety of industries, companies, and departments. This allows us to "randomize" these variables and neutralize their effects on the variables studied (leadership behaviors)."*

## 7. SAMPLE AND SAMPLING

Data collection took place between February and June 2007 at the Faculty of Economics University of Ljubljana (Slovenia) and at the Instituto Superior de Ciências do Trabalho e da Empresa ISCTE in Lisbon (Portugal). The research included 211 respondents, with 115 respondents from Slovenia and 96 respondents from Portugal. In terms of work experience, the average length of work experience was

4.5 years in the Slovene sample and 10.0 years in the Portuguese sample. All respondents were both working and studying as MBA students.

Both samples had balanced gender distributions, with 50.4 per cent of female respondents in the Slovene sample and 49.0 per cent female respondents in the Portuguese sample. The average age in the Slovene sample was 28.9 years and 31.9 years in the Portuguese sample. The majority of respondents in the Slovene sample were aged between 23 and 30 years (73.9 per cent), while most respondents in the Portuguese sample were aged between 26 and 35 years (64.9 per cent). Within all of the 211 respondents 57.9 per cent had an economic and business background, followed by an engineering background (13.4 per cent) and social sciences background (12.9 per cent). In terms of work experience, the majority of Slovene respondents (65.5 per cent) had 3 years or less of work experience, while most (50.0 per cent) of the Portuguese respondents had between 4 and 11 years of work experience. 74.0 per cent of all 211 respondents worked in medium or large, privately owned companies with over 50 employees. 37.2 per cent of the 211 respondents worked in the field of finance and accounting, 24.6 per cent in marketing and sales, and 13.6 per cent in IT.

## 8. COMPARISON OF SLOVENE AND PORTUGUESE LEADERSHIP PRACTICES

### 8.1. Leadership practice comparison

According to House, Wright and Aditya (1996) comparison of mean scores is the first and most widely used method of cross-cultural research and analysis. Table 3 displays a comparison of the mean scores, standard deviations and significance values on the given 5 LPI dimension for Slovenia and Portugal.

TABLE 3

Comparison of selected 5 LPI dimensions for Slovenia and Portugal

	SLOVENIA	PORTUGAL	SIG.
Modeling the way*	42.4 (6.6)**	44.2 (6.7)**	.008
Inspiring a shared vision*	39.1 (7.3)**	41.5 (9.2)**	.140
Challenging the process*	44.4 (6.5)**	42.5 (6.5)**	.775
Enabling others to act*	48.1 (5.2)**	46.5 (5.2)**	.531
Encouraging the heart*	47.9 (6.2)**	46.5 (6.2)**	.001
LPI total	44.4 (5.0)**	44.2 (5.6)**	n/a

\* 6 statements measure a given LPI dimension.

Each statement is evaluated on a 10-point scale, thus the maximum total of points on a given LPI dimension is 60.

\*\* Data in brackets represent standard deviations.

Source: Own research, 2007.

As expected, Slovenia and Portugal in total scored relatively similarly on all 5 LPI dimensions. The highest overall relative score (48.1) was displayed by Slovene respondents on the dimension of Enabling other to act (EOA), while the lowest relative score (39.1) was also displayed by Slovene respondents on the dimension Inspiring a shared vision (ISV). Respondents in both samples scored highest on Enabling others to act (EOA) and lowest on Inspiring a shared vision (ISV). Statistically significant differences (level of significance  $\alpha=0.05$ ) exist on two dimensions: (1) Encouraging the heart (EH) and (2) Modeling the way (MW), with Portuguese respondents scoring significantly higher on the second dimension (MW) and Slovene respondents scoring significantly higher on the first dimension (EH).

### 8.2. Rank order of listed LPI dimensions

Kouzes and Posner conducted several cross-cultural LPI score comparisons and came up with the following rank order of leadership practices: (1) **Enabling others to act (EOA)**; (2) **Modeling the way (MW)**; (3) **Challenging the process (CP)**; (4) **Encouraging the heart (EH)** and (5) **Inspiring a shared vision (ISV)**.

Table 4 displays intra-country LPI dimensions rankings. As can be seen from the data, respondents in both countries ranked Enabling others to act (**EOA**) and Encouraging the heart (**EH**) as two most important LPI dimensions. In addition, Inspiring a shared vision (**ISV**) was also ranked last by both country respondents. While rankings for Modeling the way (**MW**) and Challenging the process (**CP**) are reversed for Slovenia and Portugal, the mean differences are minute.

TABLE 4

**Intra-country comparison of rank orders of the 5 LPI dimensions for Slovenia and Portugal**

	SLOVENIA	
	Mean	Rank
Modeling the way	42.4	4
Inspiring a shared vision	39.1	5
Challenging the process	44.4	3
Enabling others to act	48.1	1
Encouraging the heart	47.9	2

Source: Own research, 2007.

Comparing the LPI rankings obtained from our research with Kouzes and Posner's cross-cultural LPI rankings reveals several dissimilarities. While Enabling others to act (EOA) in first place fits well with the Kouzes and Posner's rankings,

Modeling the way (MW), which is ranked second by Kouzes and Posner, comes only in third (Portugal) and fourth place (Slovenia) in our research. By contrast, Encouraging the heart (EH), which was ranked fourth by Kouzes and Posner, comes up second in our research. Our results again fit Kouzes and Posner's rankings of Inspiring a shared vision (ISV) coming in last (fifth) place.

## 9. HYPOTHESIS TESTING

Based on our results we can reject Hypothesis 1 (no statistical differences in LPI dimensions between Slovenia and Portugal) and conclude that there are two statistically significant differences in the usage of LPI practices between Slovenia and Portugal. Slovene respondents displayed on average statistically significantly higher scores on the usage of Encouraging the heart (EH) compared to Portuguese respondents, while Portuguese respondents displayed statistically on average significantly higher scores on the usage of Modeling the way (MW).

For Hypothesis 2, pertaining to Inspiring a shared vision (ISV) being the least frequently (strongly) used leadership practice both in Slovenia and Portugal, mean scores are lower than those of the remaining 4 LPI practices both in Slovenia and Portugal. However, it must be also noted, that the majority of these differences (mean differences between composite mean scores of the 5 LPI practices) were not statistically significant.

As for Hypothesis 3, pertaining to Encouraging others to act (EOA) as being the most frequently (strongly) used LPI practice, both composite scores (for Slovenia and Portugal) were higher than those of the remaining LPI practices. In most cases they were also statistically significantly higher compared to individual country LPI practice composite means.

Regarding Hypothesis 4, there are no statistically significant differences between composite means for the practice Challenging the process (CP) between Slovenia and Portugal, with the composite mean difference being only 0.3 ( $p=0.775$ ). A similar conclusion can also be made for Hypothesis 5, where there are no statistically significant differences between the usage of the practice Enabling others to act (EOA) between Slovenia and Portugal. The composite mean difference in this case is only 0.5 ( $p=0.531$ ).

## 10. LIMITATIONS OF THE RESEARCH AND IMPLICATIONS FOR FUTURE RESEARCH

Regarding the limitations and implications for future research, the first research limitation may be linked to sampling, where matched sampling was



used, and thus all of the shortfalls and considerations with such samples must be taken into consideration. The second research limitation may be linked to using MBA students as (1) representatives for a given national culture, and as representatives (2) of the usage of leadership practices in actual life. Because MBA students are usually trained also for international management positions, the impact of national culture may be less apparent in their actions compared to managers operating in mainly national business environments.

A third limitation could be linked to using the LPI methodology for cross-cultural leadership research, as it distinguishes between only 5 leadership practices and may omit other significant leadership behaviors linked with more specific cross-country differences. Nonetheless, the LPI methodology is today one of the most widely used methodologies in this area of research, albeit it still has room for improvement.

The fourth limitation may be linked to the use and translation of questionnaires. While standardized questionnaires were used, some of the meanings may have changed in their translation from English to Slovene and Portuguese. The last limitation may be leveled at the cross-cultural research itself, where causality and research tools have still to be achieved for a fuller understanding of its complexity.

Regarding implications for future research, we propose a longitudinal approach to the exploration of cross-cultural leadership practices and their differences between Slovenia and Portugal. Indeed, cross-validation is the first postulate of research. Secondly, we propose the use of a more representative type of sampling, which allows for more accurate conclusions about both of the researched populations. Last but not least, the representativeness of MBA students should also be more thoroughly examined. We suggest a similar study to be conducted among practicing managers both in Slovenia and Portugal, despite the fact work experience did not appear to have any significant impact in our results.

## **11. SOME MANAGERIAL IMPLICATIONS FOR CONCLUSION**

In terms of managerial implications, the non-representativeness of the sample must be taken into the account. Having said this, both of the samples displayed on average the relatively highest composite mean scores on the practice Enabling others to act (EOA). This may be linked to the importance of collaborative and team-oriented environments and calls for leaders who can create and foster such environments.

While the practice Encouraging the heart (EH) was ranked second by our research (compared to fourth by Kouzes and Posner), this in our opinion

emphasizes the importance of creating not just a collaborative, but also an emotionally stimulating environment for work, where positive feedback and a celebration of achievements is seen as a potent leadership tool. The fact that practices like Challenging the process (CP) and Modeling the way (MW) were ranked third or fourth indicates how looking for challenges and risk taking, as well as leading by example, come second to collaborative, and social and emotional components in terms of leadership contexts. This can perhaps be linked to the characteristics of the sample, where the majority of respondents worked in medium or large companies, where risk taking (more typical for small businesses and entrepreneurs) is less valued or perhaps needed.

This brings us to the last practice of Inspiring a shared vision (ISV), which was ranked last by both Kouzes and Posner, as well as our research. While, the composite mean scores of last three practices display very small differences, it may be said that respondents perceived other leadership tools to be more effective than simply trying to set a vision for others to follow.

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## Resumo

Numa organização o processo de liderança pode justificar até 45% do desempenho organizacional. Nos últimos 100 anos, a liderança tem sido analisada por diferentes perspectivas, que resultam numa significativa contribuição em definições e tipologias de pesquisa, que em retrospectiva garantem a ambiguidade e complexidade deste conceito (Stogdill, 1974).

Do conjunto de perspectivas de estudo, relacionado com a liderança transcultural aborda a questão da validade universal da liderança e das suas práticas, bem como a ligação no contexto onde a liderança é exercida.

Neste artigo é utilizada a metodologia proposta pelo processo de investigação GLOBE (House *et al.*, 2004) face ao reconhecimento deste programa como uma abordagem válida para comparar práticas de liderança em ambiente transcultural.

Ao comparar Portugal e a Eslovénia, procura-se apresentar um conjunto de propostas para a prática de gestão no que se refere à liderança em ambiente transcultural.

**Palavras-chave:** Cultura, práticas de liderança, Eslovénia Portugal.

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