

The Impact Of National Culture On Effectiveness Of Situational Leadership Hersey-Blanchard

Prima Vandayani, Dwi Kartini, Hilmiana, Yudi Azis

Abstract: The purpose of this paper was to extend of my previously published paper in domestic journal at Banking and Management Review by School of Economics Ekuitas Bandung, Indonesia. Such paper concluded that Hersey Blanchard's situational leadership concept is not entirely appropriate when applied to Bank Nagari - Branch Bandung as analysis unit. Therefore this paper try to propose national culture as one of the factors that may be the cause of the discrepancy. This study was theoretical review, especially about the effect national culture on leadership effectiveness of Bank Nagari Branch Bandung. The result illustrated that national culture have a significant effect on leadership effectiveness of Bank Nagari Branch Bandung.

Keywords — situational leadership, leader style, national culture, followers readiness, development level.

1 INTRODUCTION

Bank Nagari is one of the state-owned officially established on March 12, 1962 with the initial name PT. Bank Pembangunan Daerah Sumatra Barat. Nagari Bank has opened a number of branch offices outside West Sumatra. One of these branches of Bank Nagari was in Bandung, which established on December 5, 2007, which at that time were the only state-owned banks outside the government of West Java Province. Nonetheless Bank Nagari - Branch Bandung has been able to show that they worthy to be taken into account due to banking competition in Bandung are very strict. Bank Nagari - Branch Bandung was in the middle of the competition with 2,801 banking offices in West Java. According to some media, such as reviandi.wordpress.com and padangmedia.com, in the three years since it opened in Bandung, the bank's own assets of Rp 119.502 billion (position in May 2010). Within a year established December 2008, its assets Rp38, 419 billion and at the end of 2009 increased to Rp109,549 billion. The success or failure of an organization, it is usually perceived as a success or a failure of leadership. The same is expressed by Vroom and Jago (2007) that the effectiveness of the organization is often regarded as a strong indication of effective leadership. Of course it can also be concluded at the Bank Nagari - Branch Bandung. Where the success of the Bank Nagari such as asset growth and survive in the competition, the Bank Nagari - Branch Bandung has an effective leader. An effective leader depends on how the suitability of leadership styles implementation to the existing situation (Hersey et.al 1996). Successful leadership is not necessarily an effective leadership. THE successful leader but not effective only have a short effect on the behavior of others. While the successful and effective leader has the effect that tends to lead to long-term productivity and organizational development. Leadership style will be effective, if the leadership style successfully implemented in certain situations and can be changed in other situations. Therefore, leaders must be flexible and adaptive in applying their leadership style (Yulk and Mahsud, 2010:82). Flexible leaders will be able to

use a variety of behaviors in their leadership. Adaptive leaders who will be able to choose that variety of behaviors are relevant to the situation. One situation that matters is the readiness of subordinates. However, these conclusions differ from the results of research that has been conducted and published in domestic journal at Banking and Management Review by School of Economics Ekuitas Bandung, Indonesia. That study adopted a situational leadership style from Hersey and Blanchard. Based on that research, the employees have had the ability and the desire or confidence in carrying the responsibility of tasks implementing (Vandayani, 2013). With that readiness of the employee, the most effective style of leadership is delegation style, which gives wide opportunity to subordinates to carry out the task. But in reality, the leader applying participation style, which make the decision together with employees and encourage employee efforts in the completion of the task. Participation style would be most effective when used for employees who only have the ability but do not have the desire and confidence to perform his own responsibilities. Based on this gap, then this paper will try to explain one of the factors is the cause, namely the national culture.

2 Literature Review

2.1 Situational Leadership Style Of Hersey-Blanchard

Situational leadership was introduced by Hersey and Blanchard for the first time as Life Cycle theory (1969).The theory explains that effective leadership style in an organization is similar to the way parents raise their children that will always change in accordance with their children's maturity (Hersey and Blanchard 1996). This model developed into Situational Leadership model inspired by research of two dimensions attitude model in (a) Ohio leadership (consideration and initiating structure) by Stogdill and Coons (1957), (b) Managerial Grid (attention to the production and attention to people) by Blake and Mounon (1964), and (c) 3 dimensions management style theory (3-D) by Reddin (1967) who added effectiveness dimension. Meanwhile Blake and Mounon, and Reddin were focused on leader's attitude, Hersey and Blanchard concentrated on leader's behavior. Hersey and Blanchard added effectiveness dimension to both dimensions (relationship behavior and task behavior), which is workers readiness level. This model does not describe one ideal leadership style proposed to be suitable in all situations. Situational Leadership is a concept developed to help the leaders be more effective rules that they make and in

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interacting to each other (Hersey et.al 1996). They believe that the effectiveness of leaders's behavior with regard to the suitability of the leaders style of the his followers readiness. Blanchard (2008) developed Situational Leadership. He was prefer that effective leaders adapt their style according to the development level (not readiness level) of the people they are managing.

A. Leaders Style

Blanchard (2008) purpose four leadership styles representing different combinations of directive and supportive behaviors as shown in Figure 1. Directive behavior is the extent to which the leaders engage in one-way communication, spell out the person's role, tell the person what to do, where to do it, when to do it, dan how to do it, and then oversee their performance. Supportive behavior is the extent to which the leaders engage in two-way communication, listen, provide support and encouragement, facilitate interaction, and involve people in decision-making.

B. Development Level

The beginning, Hersey et.al (1996) using the term Readiness level, as the level where the employee demonstrates the ability and desire to accomplish specific tasks. Ability related to the knowledge, experience and expertise that a person or group take on specific tasks and activities. Desire related to the confidence, commitment, and motivation to perform specific tasks. Differences level of readiness of employees depending on the task being asked to do. Blanchard (2008) changed the term Readiness Level becomes Development Level as the degree of competence and commitment a person has to perform a task without supervision. Competence is a function of knowledge and skills which can be gained from education, training, or experience. Commitment is a combination of confidence and motivation. A combination of competence and commitment that employees bring to the task is divided into four levels of developmen, as shown in Figure 2.

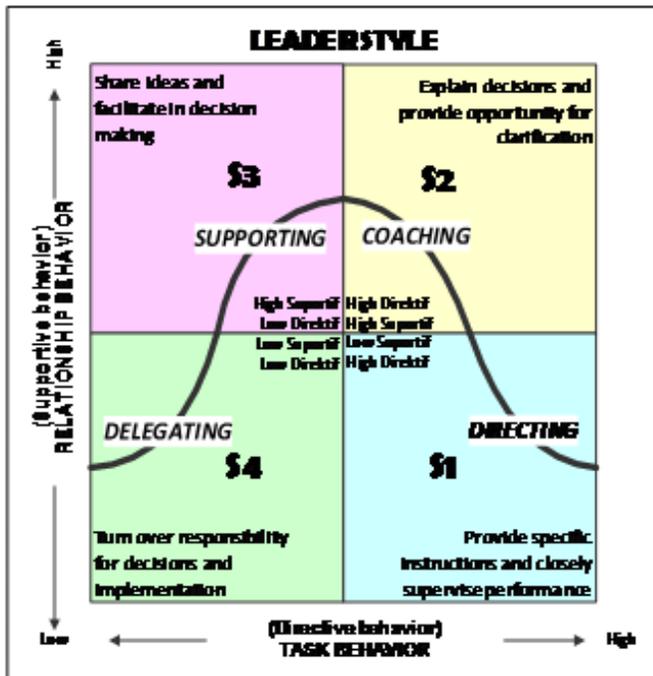


Figure 1. Leader Style : Effective Leader Behavior
Sources: Hersey et.al 1996; Blanchard, 2008

1. Style 1: Directing. The leaders define the roles of people, provide the specific instruction, announce solutions and decisions, closely supervise implementation.
2. Style 2: Coaching. The leaders still provide direction but also hear the person's feelings, ideas and suggestions with two-way communications but maintain control over decision-making.
3. Style 3: Supporting. The leaders provide recognition, actively listen dan facilitate problem-solving and decision-making.
4. Style 4: Delegating. The leaders allow people with greater autonomy, collaboratively set goals and then delegate day-to-day decision-making to people.

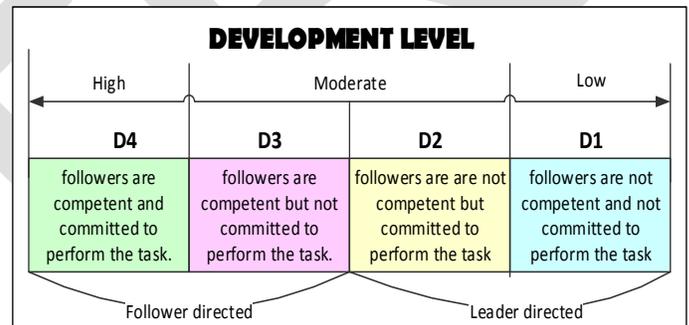


Figure 2. Development Level
Sources: Hersey et.al 1996; Blanchard, 2008

Effective leadership can be seen from the conformity that occurs between the leader style and the development level as shown in Figure 3. Beginning with the identification value of development level, then drag the vertical line of the value up to the intersection with a line curve shows the leaders behavior.

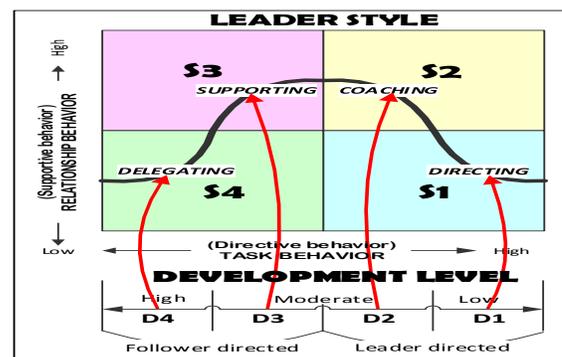


Figure 3. Situational Leadership Model
Sources: Hersey et.al 1996; Blanchard, 2008

2.2 National Culture

Culture is a collective mind programming that distinguishes the members of one group from the other groups (Hofstede et.al, 2010). They viewed culture as a collective phenomenon by those who live in the same social environment, which consists of the unwritten rules of social games. Definitions are not

much different, the culture is a pattern of shared basic assumptions (Schein, 2010). That assumption studied by a group, functioning well to be considered legitimate and taught to new members as the correct way to perceive, think, and feel in regard to a problem. Schein propose that culture can be analyzed at three different levels, in terms of the extent to which cultural phenomena can be seen by the observer. Levels of analysis began from (1) an artifact as an open manifestation, something very real, can be seen and felt; (2) beliefs and values that are embodied in the philosophy or ideology; (3) until very ingrained assumptions, not realized, as the basic essence of culture. Among these layers there are a variety of beliefs, values, norms and rules of behavior adopted where members use as a depiction of a culture. Hofstede et.al (2010:7) proposes four manifestations of culture: symbols, heroes, rituals, and values as depicted on Figure 4. Cultures like the skin of an onion, indicating symbol represent the most superficial and value the deepest part of the culture, with heroes and rituals in between. Symbols, heroes, and rituals are classified in terms of practice, which is seen by outside observers. Value can be determined by the practice that interpreted by insiders. The essence of culture is formed by values.

1. Symbols are words, gestures, pictures, or an object that carry a particular meaning and is recognized only by those who share the culture. Symbols are easy to grow and disappear; and copied by others.
2. Heroes are people, living or dead, real or imaginary, which has very valuable characteristics and serves as a model to behave.
3. Ritual is collective activities that is technically redundant to achieve the desired objectives and are considered important socially.
4. Value is a tendency to choose a particular state in the affairs of others. Values are feeling with arrows that indicate the plus and minus.

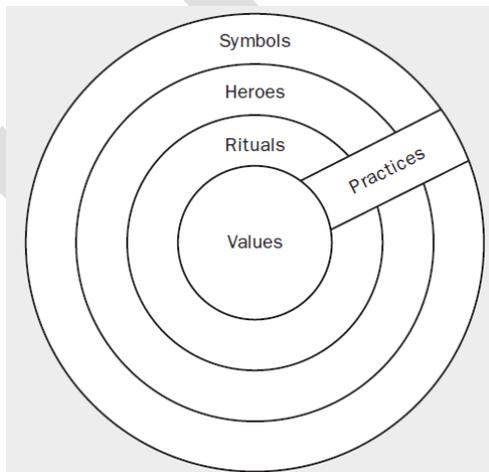


Figure 4. The "Onion": Manifestations of Culture at Different Levels of Depth
 Source : Hofstede et.al (2010:7)

Cultural appear on various time and levels as shown in Figure 2.5. Based on the time, in the early period (0-10 years). The value obtained from the information on the environment quickly understood and largely unconsciously absorbed. It

includes the practice that consists of symbols (such as language), heroes (like our parents), and rituals (such as toilet training); and basic values. At the end of the period (10-20 years), gradually shift to differ, how to learn by conscious, focusing mainly on new the practice. Based on the level, there are several levels of culture, among them: the national level, the level of gender, social class, level of organization, employment, industry and enterprise. Cultural national level is part of the mental software obtained during the first decade of life, the family, the environment, and in school, and they contain most of the basic values. Cultural organization level obtained when entering the work organization with corporate values and they mainly contain organizational practices - they are more superficial: symbols, heroes, and rituals.

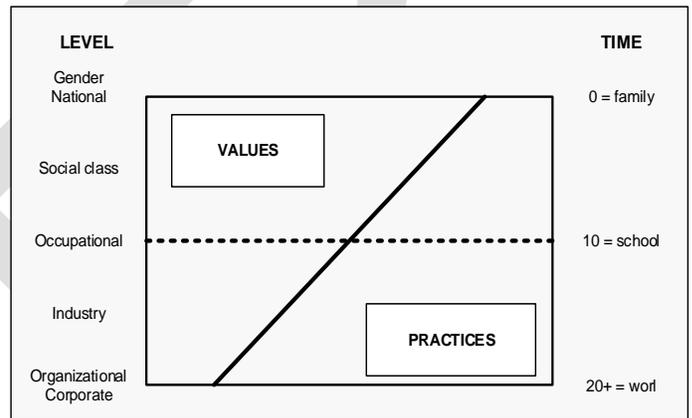


Figure 5. Values and Practices at Various Level and Time
 Sumber : Hofstede et.al (2010:347)

For national-level cultural Hofstede (2011) proposed several dimensions:

1. Power Distance, related to the different solutions to the basic problem of human inequality;
2. Uncertainty Avoidance, related to the level of stress in a society in the face of an unknown future;
3. Individualism versus Collectivism, related to the integration of individuals into primary groups;
4. Masculinity versus Femininity, related to the division of emotional roles between women and men;
5. Long Term versus Short Term Orientation, related to the choice of focus for people's efforts: the future or the present and past;
6. Indulgence versus Restraint, related to the gratification versus control of basic human desires related to enjoying life.

3 THEORITICAL FRAMEWORK

Effect national culture on Effectiveness Situational Leadership

Wendt, Euwema, and Van Emmerik (2009) examined the impact of culture on leadership style in 80 countries. They focus on the cultural dimension of Individualism versus Collectivism, and Directives and supportive leadership style. They gathered data from managers 29.868, and 138.270 corresponding team members. They concluded that in individualistic societies, manager's use less directive and less supportive behavior, compared with collectivistic

societies. Other research by Sabri (2012) also examine the influence of culture on leadership styles in Jordan. For the cultural dimension, he used dimensions of Power Distance, Uncertainty Avoidance, Individualism versus Collectivism, and Masculinity versus Femininity. For leadership style, he focused on task-oriented style and style-oriented people. He collected data from 235 managers. He showed Jordan has small Power Distance, strong Uncertainty Avoidance, incline Masculinity dan Collectivism. He concluded there a significant positive relationship between "task" leadership style and the cultural values of power distance, uncertainty avoidance, collectivism and masculinity. The results did not, however, indicate a significant relation between "people" leadership style and collectivism value orientation of Jordanian managers. Other research by Moenjohn and Armstrong (2007) also examine the impact of culture on leadership style in Thailand. For the cultural dimension, they used dimensions of Power Distance, Uncertainty Avoidance, Individualism, dan Masculinity. For leadership style, they focused on transformational leadership, transactional leadership, dan laissez-faire. They collected data from 91 Thailand employees for 95 managers. They concluded that transformational leadership was significantly explained by the four independent dimensions, but not for transactional leadership, dan laissez-faire. The third empirical study above suggests some differences with this paper. The third empirical studies above propose leadership style is influenced by culture, while this paper propose leadership effectiveness is influenced by culture. Leadership styles used in the first two studies above is the basis for all four types of leaders in situational leadership style adapted this paper. While the third study using a leadership style that is considered ideal in all situations (not based situational). The third study above using one or several cultural dimensions of Hofstede. Hofstede et.al (2010) in his research shows that Indonesia has its own value for the six dimensions of culture. Indonesia has large Power Distance, shows society feel the power distribution is very unequal. Indonesia incline Collectivism, shows society highly integrated in their group. Indonesia incline Femininity, shows society distributing the values that modest, polite and sense of caring. Indonesia has weak Uncertainty Avoidance, shows society more tolerance and feel comfortable on the uncertainty and allow the differences can be walk adjoining. Indonesia incline Long Term Orientation, shows choice of society efforts focused on the future. Indonesia incline Restraint, shows society controlling satisfying needs and arrange it in accordance with social norms strict. With the value of the cultural dimension in Indonesia, the leaders need to apply tasks or directive behavior and supportive or relationships behavior on their subordinates. Levels in each behavior adjusted to the level of readiness of followers. But the leader of the extreme blend of both behavior will not be in accordance with the prevailing culture. Based on the theoretical framework above, it can be described as follows:

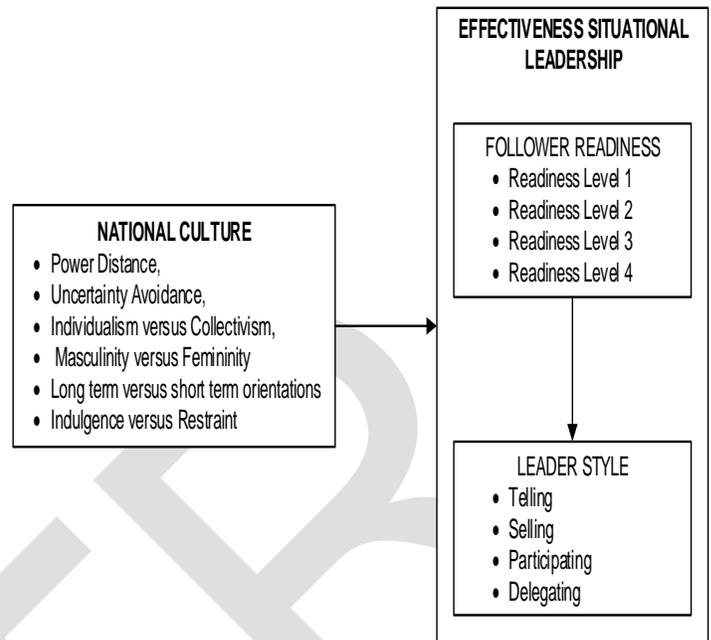


Figure 6. Theoretical Framework

This study is aimed to determine the causal relationships between variables through hypothesis : The effectiveness situational leadership influenced by national culture.

4 METHODOLOGY AND FINDING

This study is a theoretical study of the influence national culture on effectiveness situational leadership as extend of my previously published paper. This study employed the secondary source of data by using a number of relevant literature with the selected variables. In hypothesis testing, providing theoretical evidence that there is a significant relationship between national culture on effectiveness situational leadership. In accordance with the values in each dimension of Indonesian culture, leaders are expected to combine directive and supportive behaviors that are tailored to the level of readiness (development) of employees, which is selling and participating (or coaching and supporting). But not to apply the extreme blend of between the two behaviors, which is telling and delegating (or directing and delegating). Thus, although on my previously published paper showed followers readiness/development level is high (R4 or D4), leader of Bank Nagari - Bandung branch tends to use style of participating or supporting (not delegating).

5 CONCLUSION

Hersey Blanchard's situational leadership concept is not entirely appropriate when applied to Bank Nagari Branch Bandung as my previously published paper. With followers readiness/development level is high (R4 or D4), then the leader style that applied is supposed to Delegating, but in fact the leader applied Participating (or supporting) styles. Nonetheless Bank Nagari - Branch Bandung still able to obtain a very high profit increases. This is understandable if national cultural factors to be considered. Based on a literature review, the national culture has an influence on the effectiveness of situational leadership.

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