

# In the Eye of the Beholder: Cross-Cultural Lesson in Leadership from Project GLOBE:

## A Response Viewed from the Third Culture Bonding (TCB) Model of Cross-Cultural Leadership

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Leadership is at a crossroads in the comparative culture area. A recent movement called GLOBE fathered by Robert House, my older colleague, invites researchers to move in a radically new positivistic but misguided direction (Gupta & House 2004; House, et al. 2004; Javidan, et al. 2006). Before we follow the leadership of GLOBE, we need to think critically about its methodology. Both practitioners and those who study leadership need to understand the assumptions underlying the action recommendations made by GLOBE researchers lest we be misled again by new fads, fashions and fowlerol. Curb your enthusiasm!

In this paper I contrast GLOBE with our Third Culture Bonding (TCB) approach to the understanding of leadership in different cultural populations and in different national cultures (Graen, Hui, & Gu 2004; Graen & Lau 2005).

My thesis is that the authors of the GLOBE study claim too much cross-cultural ecological and construct validity and generalizability for their research findings and recommendations to date. We caution GLOBE project researchers about the dangers of making broad interpretations based on their empirical findings (Graen & Wakabayashi 1994). Let us review the methodological restrictions on GLOBE's practical recommendations that result from their research design.

### Statement of the Problem

By analogy, the GLOBE approach is like the Average Leadership Style (ALS) approach to distilling the best practice norms for leadership training and development. To develop this analogy, we point out that internationally recognized research programs at the Ohio State University, the University of Michigan, the University of Washington, and SUNY at Binghamton all followed the ALS approach. The ALS approach assumes that the best measure of leadership is the perceptions followers have about their leader's style: Ohio State used the two dimension of style called "Structuring" and "Consideration"; University of Michigan employed the two dimensions of "Concern for Production" and "Concern for People"; University of Washington recommended high and low "Least Preferred Coworker" (a supervisor self-report); and SUNY Binghamton used two dimensions of "Transactional" and "Transformational" (Northhouse 2001). All of these ALS models ignored the variance in follower's reports and simply computed the average style score. Unfortunately, as the LMX researchers documented, the individual follower's assessments of the leader were a powerful measure of dyadic leadership. By ignoring the individual assessments and relying on the average scores, the ALS approach was throwing out the baby with the bathwater. Many research articles and trade books were published based on the results of this ALS approach. They contain a variety of action recommendations that

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were followed by managers the world over who wanted to be leaders. But because they relied on average scores for their recommendations, they missed the point that the leadership relationship at the individual level was based on an individual's assessment of the leader, which could differ considerably from the average assessment of a large group. This ALS approach was without a meaningful competitor for decades and was the accepted research paradigm until the emergence of a better approach to distilling the best practice norms for leadership development. This approach emerged as the dyadic leader-member exchange (LMX) approach to leadership (Graen & Lau 2005; Graen 2003).

This LMX approach discovered – through longitudinal, life cycle, dyadic patterned interview studies on entire management networks of dyadic variation in leadership practices validity – that the ALS approach ignored the dyadic data that they carefully collected, and focused solely on the unit averages. This was a fundamental mistake. The mistake was revealed when researchers, following the emerging dyadic paradigm, proceeded to demonstrate and replicate reliably that the dyadic variation ignored by the ALS approach was a strong predictor of many acknowledged leadership outcomes (Graen 2003; Graen, Hui, & Gu 2004; Graen & Graen 2005, 2006). In other words, there was important explanatory power at the individual level. A recent meta-analysis by Gerstner and Day (1997) implied that researchers who employ an ALS approach that does not grow out of the dyadic approach have not immersed themselves in the post-modern leadership research literature.

What the emerging dyadic LMX leadership research has shown is that superiors can have the same average leadership style (mean of all of their direct reports) and have vastly different distributions of dyadic relationship scores. For example, consider three leaders with the same ALS scores. According to this example, each has a score of 21 from a possible range of 7 to 35, indicating an overall neutral ALS. Assume that each has four direct reports with the following dyadic scores.

Mary	21	21	21	21
Kelley	7	7	35	35
Eleanor	28	28	14	14

These patterns make for differences in leadership outcomes and are responsible for the almost universal acceptance of the dyadic approach: Mary's are uniformly non-sharers; Kelley has 2 super sharers and 2 severe resisters; and Eleanor has two moderate sharers and two moderate resisters. In terms of leadership, none of Mary's four team members is capable of leadership sharing; Kelly is confronted with two strong leadership sharers and two who only do what's in the job description; and Eleanor has the problem of two who will share if pushed, and two who will not share. These three situations present very different challenges to leaders: Mary must keep the team supplied with needed resources and expect no leadership sharing from team members; Kelley must work on cooperation between the two strong leadership sharers and the two who want to be told what to do; and Eleanor has some of Mary's problems and some of Kelley's.

What this means for the GLOBE approach is that employing ALS methodology for national norms about leadership culture does not make sense because the approach distorts the results by ignoring the variation within countries. Is this poor scholarship?

In contrast, an emerging paradigm for this research problem, the Third Culture Bonding (TCB) approach, seeks deep-level diversity within and between national cultures. A good example of this is our work in Japan and China (Graen, Hui, & Gu 2004; Graen & Wakabayashi 1994). Our TCB model results reveal a different and deeper understanding of the tremendous variation in cultural norms concerning leadership in these countries. Major national parameters, such as the generational differences in leadership norms, are ignored by GLOBE, as are the differences between educational, social, and economic classes. Even regional, religious, ethnic, and gender differences are of no interest to GLOBE. We can do better with the TCB approach, as we shall see, because it focuses on all of these differences and their distributions. The danger with the GLOBE approach, like the ALS approach, is that ignoring important differences not reflected in the averages has been shown to mislead practice.

### The GLOBE Methodology

**G**LOBE's research design consisted of small convenience samples of managers from 62 different nations conducted by many different investigators. It provides a new ceiling for large-scale collaborative survey studies (House et al. 2004). GLOBE's success in recruiting a large set of culturally diverse researchers by promising "professionally satisfying performance" contingent upon local data collection using translations of the package of GLOBE instruments "off the shelf" is testimony to the power of individualized transactional leadership. All collaborators from different countries needed to do was "back translate" the English questionnaires and collect data from at least 300 local managers about their perceptions of their national cultures and their cultural definitions of "leaders." We wonder for example, how representative can 300 managers from one location in China be for the entire People's Republic of China with its many subcultures and 1.3 billion people (Graen & Lau 2005). In China the Northerners and the Southerners cannot understand each other's language, and the Coastal people and Interior people cannot understand each other's economic background, and no non-Shanghai Chinese can understand the Shanghai dialect. In fact, the United States is more homogeneous than mainland People's Republic of China.

Over a year ago, we asked the Principal Investigator and Project Co-Investigator for an English translation of GLOBE questionnaires after their first findings were published. We were informed that in order for researchers and scholars to view and use the measures for any purpose, including independent replication, they had to agree to collect new data with the GLOBE directors and perform a project involving a large (N=300) sample of managers from at least three different countries. This behavior is not appropriate for science. In contrast, our TCB-validated measures have been consistently available to researchers without any such conditions for purposes of furthering our understanding of leadership. Only if our instrument is to be used for consulting is a nominal charge required. Fortunately, a more science guided researcher shared the entire GLOBE pack-

age with us as described below. Our critique will look at the following areas: questionnaires, taxonomy, and definitions of leadership style. We will address each one individually.

### GLOBE Questionnaires

The GLOBE questionnaire is divided into five sections, each one addressing a specific question:

1. Describe the way that **you desire** your national culture to be seen by outsiders using 24 bipolar adjectives on a 7-point scale (for example, "In this society, boys are encouraged more than girls to attain a higher education." Strongly Agree = 1, Strongly Disagree = 7).
2. Describe how the 56 leader characteristics **should** contribute to an "Outstanding Leader" in your national culture using a 7-point scale from "Greatly Inhibits" to "Contributes Greatly" (for example, "Vindictive = Vengeful, seeks revenge when wronged").
3. Describe how things generally **should be** in your society using 39, 7-point bipolar values (for example, "I believe that, most people prefer to play . . . Only Individual Sports = 1 to Only Team Sports = 7").
4. Describe how leader characteristics contribute to an "Outstanding Leader" employing 56 characteristics on the same 7-point scales as in Section 2 (for example, "Dependable").
5. Demographic questions about the respondent (27 in all).

Our first critique with this questionnaire is that heterogeneous national cultures cannot be described in a representative manner by samples of 300 managers who represent small homogeneous cultural slivers of nations. Little can be concluded about the many variables that may be responsible for national means of these samples, much less differences between means of several national samples. In addition to the inadequate sampling problems with GLOBE's national culture descriptions, managers are not permitted to tell us about their "real national cultures" (Hiller & Day 2003) because (a) all questions were written for the Anglo-American sub-culture and in English; (b) only Anglo-American cultural management issues and American constructs were employed; (c) most

questions were loaded with social desirability (“What I want outsiders to think about my mother country.”); (d) only Western thinking is represented (Eastern thinking is different and not the opposite); and finally, (e) there exists a good chance of invalidly confirming one’s own self-fulfilling prophesy. From a cross-national perspective, GLOBE appears to be assuming construct validity without going through the necessary process of construct validation (Meehl 1977). Our TCB perspective on the GLOBE self-report questionnaire is that it clearly asks for national stereotypes about three constructs.

Section 1: What would you like to be seen as by national outsiders?

Sections 2 & 4: How would you like national outsiders to think of your outstanding leaders?

Section 3: How would you like outsiders to see your culture?

From the TCB perspective, all surface-level ALS descriptions of national culture are dysfunctional in terms of building a third culture relationship based on deep-level diversity (Graen & Wakabayashi 1994). Partners from other cultures do not conform to our national stereotypes of them and often resent their use in TCB development.

Cultural stereotypes, although admittedly gross over-generalizations of both similarities and differences between national cultures based on surface-level diversity (Gupta & House 2004), are recommended by the GLOBE authors as basis for cross-cultural competence, learning, knowledge, and perspectives used for building models for organizational operations across national cultures. We strongly disagree based on our TCB research and consulting in Asia.

### **Taxonomy**

Another critique of GLOBE is illustrated by its taxonomy of national culture groups from (A) Anglo to (I) Confucian.

The Anglo category groups together the United States, white South Africa, and members of the old British Empire, including Ireland. What the U.S. business culture has in common with all of the others is debatable. Although these countries all share a common set of principles under-

lying the legal system, including the associated assumptions about rights and responsibilities, they are “separated by a common language,” to borrow a phrase from Winston Churchill. Differences in business culture including leadership are ignored by this grouping. What’s more, the grouping itself conveys little information about behavioral as opposed to legal systems. The Confucian category groups together Singapore, Japan, Korea, Mainland China, Hong Kong, and Taiwan. What Japan’s business culture has in common with that of Korea and China is debatable. Huge differences in business cultures, including leadership, are ignored by this grouping. Even the Chinese inside and outside of China are very different in terms of national culture.

These groupings produce more superficial diversity at the expense of less deep-level diversity. The basis for this taxonomy is questionable in terms of deep-level diversity. Another taxonomy based on deep-level similarities would be better.

GLOBE goes on to hypothesize nine normative and practice dimensions and rates the ten culture/nations as high, mid, or low on each. For example, Confucian cultures are characterized as bottom-line oriental (pragmatic), long-term planning, group conformity driven, and family controlled. Clearly, even the new generation of Chinese business leaders with its emphases on individuality and independence from family is a poor fit based on our studies of coastal China. This may fit the old Chinese culture better but certainly not the new generation in Shanghai. Another example is that all Anglos are lumped together, but the U.S. doesn’t fit in with the old British colonies. The U.S. is much too heterogeneous to be characterized by the old Anglo-Saxon heritage that today represents but a small minority of businesses. We would prefer that the U.S. leadership be measured as decedents of (a) Anglo-Saxon, (b) German, (c) Nordic, (d) Latin American, (e) Confucian, and (f) Japanese ancestors at least. Clearly, the U.S. is comprised of at least these subcultures and they each run their organizations differently. Yes, we have our legal and political systems in common, but large deep-seated differences are manifested periodically, such as the current Latino call for cultural recognition.

## Leadership Style

Our final critique of GLOBE is illustrated by how it defines leadership style. In GLOBE, six leadership types are proposed: Charismatic (universally effective); Team (universally effective); Shared (local); Humane (local); Defensive (local); and Autocratic (local).

Although we strongly object to cultural stereotypes of this kind as dysfunctional for cross-cultural relations, teamwork, and third culture facilitation, House and his associates disagree and recommend the practical use of these surface-level stereotypes. The reason to list these is that they were the only response alternatives offered to survey respondents. They were not suggested the choice of Transformational, Leader-Member Exchange, or Filial Piety Leadership. This indicates that the list of alternatives screened out these alternatives. Clearly, he who writes the list of acceptable alternatives influences the survey responses by the wording of the questions. This should be corrected by GLOBE.

## Third Culture Bonding: A Different Approach

**T**CB program grew out of research on team leadership under multicultural stress in Sino-Western corporations in China and Nippon-Western corporations in North America and Australia. Our research teams were looking for the best way to lead multinational teams and they tested the major American, Chinese, and Japanese models without success until they discovered that the new TCB model worked effectively under particular conditions (Graen, Hui, & Gu 2004; Graen & Wakabayashi 1994). The research teams were led by George Graen (American), Katsuo Sano (Japanese), Mitsuru Wakabayashi (Japanese), Chun Hui (Chinese), Mary Uhl-Bien (American) and Qing Liang Gu (Chinese). All teams were multicultural and employed the emerging TCB model.

In a venture with two strong cultures, TCB minimizes offense to both cultures in its operation and encourages both cultures to accept and commit to it as their preferred way of dealing with the foreign culture. It involves almost everything done in the company's relevant processes and

must be built carefully through cross-cultural and cross-functional team efforts. Its hallmark is that in a Sino-American venture employees agree that their way of doing things is not like a Chinese company in China or an American company in America, but a third way — like the best Sino-American partnership company.

The TCB organizations are constructed by carefully focusing on the volatile areas of cross-cultural ambiguity and conflict with top-level cross-functional and cross-cultural teams. These teams investigate and map the cross-cultural “black holes” and make the recommendations for organizational changes that will serve to create the TCBs at key stress points. With such a design, managers from both cultures can avoid cultural taboos.

This organizational design team includes all cultures, various functions (e.g., production, HRM, marketing, sales and distribution, engineering, the union, etc.), various levels (e.g., shop floor, supervision, managers, and executives), and include some “transculturals” from all cultures at least at the “insider” level and a consultant at the “judge” level (Graen 2002). A “transcultural” is a person who can transcend one's own culture and see the merits of another culture. This team should enjoy strong top management support and involvement throughout the project. Their mission is to discover the fundamental cultural conflicts between two or more cultures and develop new procedures that can deal effectively with both cultures.

Research using the TCB model has suggested a number of these cultural conflicts in standard operating procedures (SOP) between the “American Way” and the “Chinese Way” (Graen, Hui, & Gu 2004). Once these common cultural conflicts in SOP are identified and effective TCB alternative SOPs developed through research, recommendations can be made to organization executives. To make such recommendations before we understand both their intended and unintended consequences would be inappropriate (Meehl 1977). We illustrate the TCB model by contrasting it with the traditional model of cross-cultural business practice (Graen, Hui, & Gu 2004).

In traditional organizations, members of each

culture may deny or accept cultural differences between the two partners. In denying cultural differences, members of a culture refuse to make attributions to cultural problems (Graen, Hui, & Gu 2004). Executives of the controlling culture impose their SOPs on their organization and hence on members of the other culture. This often leads to the many symptoms of unhealthy cross-cultural relations such as doing only the minimum required or outright sabotage (Anderson 1990; Baba, Granrose, & Bird 1995; Child 1994; Geringer 1991; Hamel 1991; Harrigan 1986; Tung 1993).

In contrast, TCB involves the bridging of the two cultures (Graen & Wakabayashi 1994) not the dominance of one over the other (Hamel, Doz, & Prahalad 1989; Leong & Chin 1993; Lyles & Reger 1993). In bridging cultural differences, the TCB model begins by building genuine mutual trust, respect, and commitment for the cultural parties involved. Both parties should examine their differences in terms of culturally compatible procedures. After examining the kind of differences to be reconciled, cultural leaders may then use tools such as the creation of transcending organizational values and norms to guide the organizational procedures for all members in the organization. Rationales for the new ways of doing things should be clearly communicated to all members to influence acceptance. In essence, the TCB way involves procedures to bring creative solutions to the different cross-cultural practices. When bridging cultural differences, cross-cultural partners find ways to come up with organizational practices and management techniques and programs that are acceptable to members of both cultures. For example, when managing in collective cultures, members of an individualistic culture may try to build in some collectivistic components in work structure and leader-member relationships. In this way, TCB can be created in a manner that reflects fundamental objectives of both of the cultures but avoids the conflicts. Clearly, to execute cross-culturally compatible SOPs within Sino-American organizations, systematic differences must be understood, reconciled, and transcended based on rigorous research.

TCB research programs cannot now make

sweeping generalizations about leadership in different nations and neither can GLOBE. Both approaches should require that deep-level differences between cultures be understood before any recommendations are presented. The TCB approach is more ideographic than GLOBE in that it focuses on particular differences between cultures and suggests that building TCB depends on deep-level cultural differences that underlie surface-level ones (Hiller & Day 2003). Clearly, the TCB approach will not make the kind of recommendations made by the GLOBE approach. Our advice to those following GLOBE is to be careful not to leap too far beyond your data base. Do not mislead practitioners.

### Conclusion

Research on international leadership is at a crossroads representing different research approaches. One bridge offers easy surface-level answers, but a questionable methodology. The alternative offers deep-level answers and rigorous methodology. This paper is a brief critique of the GLOBE and TCB programs. Possibly, we are too critical in our assessments of the GLOBE procedures, but we tried to err on the side of methodological rigor, lest we encourage others to choose unwisely and hurt themselves or others.

Our in-depth TCB research in China leads us to question the GLOBE recommendations as premature generalizations about a country of about 1.3 billion people and many subcultures based on a sample of a few hundred Chinese from one subculture in one local area. Although we congratulate the GLOBE researchers for adding to the vast literature on cultural differences, we caution them to curb their enthusiasm for cultural anthropology, cultural ethnography, and cultural psychology to name a few of the overlapping fields of study. Clearly, pushing the envelope of implication too much may lead to faulty recommendations and a loss of research credibility. What the GLOBE research has after all, are the results of a large number of one-shot, self-reported, culturally biased survey studies. Any recommendations such as those made by the respective authors based on existing GLOBE or TCB findings must await confirmation by carefully designed and rigorously per-

formed inference studies (Meehl 1977). This I urge my friends to undertake.

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