

LEADERSHIP IN NEW ZEALAND: FINDINGS OF THE GLOBE STUDY

Jeffrey Kennedy
Lincoln University, New Zealand

ABSTRACT

This paper reports the New Zealand findings of the Global Leadership and Organisational Behaviour Effectiveness (GLOBE) project regarding the attributes considered necessary for effective leadership in New Zealand organisations. New Zealand middle managers are looking for leaders with confidence and conviction, who can arouse passions — who can demonstrate and impart strong positive emotions for work and stimulate people to put forward exceptional efforts. Such inspirational leadership must, however, be based on strong underlying competence, and have a forward-looking orientation.

There was little tolerance among respondents for leaders who made decisions in a dictatorial manner, and who did not place importance on a team ethic in accomplishing goals.

PAST RESEARCH ON LEADERSHIP IN NEW ZEALAND

While leadership is a popular topic in journals and books aimed at managers, there is a paucity of academic research into leadership in New Zealand organisations. The leadership chapters in two recent New Zealand management and organisational behaviour textbooks (Inkson & Kolb 1997; McLennan 1995) include only five citations to indigenous leadership research, of which three are unpublished discussion papers.

Leadership research in New Zealand has often focused on small elements of leadership behaviour or has been a small part of wider studies (Campbell-Hunt & Corbett 1996; Campbell-Hunt, Harper & Hamilton 1993; Knuckey, Leung-Wai, & Meskill 1999).

One of the biggest contributions to the study of New Zealand managers was published just over twenty-five years ago by George Hines, a psychologist at Victoria University of Wellington (Hines 1973). The work is based on survey research of over 2,400 New Zealand managers. This work, and others by the same author, has been viewed by some as marking the beginning of organisation behaviour as a research-based discipline in New Zealand (Inkson 1987).

Hines identified a number of characteristics of the business environment that he considered vital to an understanding of the nature of New Zealand management. Two, in particular, are the relative classlessness of New Zealand society, and the small size of New Zealand firms.

Jeffrey Kennedy (e-mail: kennedj@lincoln.ac.nz) teaches in the Commerce Department, Lincoln University, Canterbury, New Zealand.

He argued that management style in New Zealand was influenced by the lack of a formal class structure. Individuality and independence were valued, together with an emphasis on performance, rather than social status. New Zealand also lacked the large salary differentials that, in some countries, create a divide between labour and management.

In a similar vein, he pointed to the small size of the average New Zealand company. Personal relationships develop, decisions are generally conveyed face to face, and there is nowhere to hide when problems arise. New Zealand managers placed a significantly greater weight on interpersonal relationships than did North American and European managers. Hines attributed this finding to the small size of New Zealand companies, the opportunities for frequent interactions between people at all levels, and the lack of arbitrary class differences.

Hines' survey was consistent with previous research (Wilson & Patterson 1968) which had found New Zealand managers to be conservative in outlook. He commented on the association between conservatism and other factors, including adherence to rules and regulations, resistance to change, compliance with existing norms, and a preference for stability, predictability and security.

Inkson (1974) found managers disliked having their concerns to improve work performance being frustrated or obstructed by others in the organisation. Over half of his sample felt they were contributing less to their organisation than they were capable of as a result of insufficient delegation from their manager, and a tendency for top management to spend too much time on "trivial office routine and decision-making" (1974, p. 25). Inkson concluded that New Zealand managers were not meeting their basic responsibilities towards staff — they were not involving them, delegating effectively, stretching them, or giving appropriate feedback and recognition.

Independence is often cited as a characteristic of the New Zealand psyche, and Hines' sample responded in a manner consistent with this stereotype. Most of the sample (55 percent) wanted to work without any supervision at all, and another quarter preferred being given the freedom to act within a set of suggested priorities. Coupled with this attitude was a strong preference for being given work that required high levels of responsibility. Clearly, this conflicts with some of the conservative behaviours noted above.

The managers in Hines' study were almost unanimous in describing the New Zealand manager as being ethical in business practice, and only 21 percent believed that formal ethical standards should be adopted. This view is supported by Inkson's interviews of managers. He notes that 'where ethics were referred to [bosses] were seen totally by subordinates in favourable terms' (1974, p. 25).

The environment for New Zealand managers changed significantly and irrevocably from 1984, when the country made a dramatic leap towards a more open, less regulated economy. Removal of trade barriers, deregulation of foreign exchange transactions, removal of subsidies and other changes significantly increased the dynamism of the competitive environment faced by managers.

Inkson and Henshall captured the implications for managers as follows: (1990 p.164) :

“If our past existence had created an environment where the basic parameters for leadership were set, where the solid virtues, sound administration, transactional leadership, and strong control were sufficient for success, then the new environment has changed things irrevocably. Qualities previously unnecessary in New Zealand management suddenly became critical not for spectacular success, but for mere survival: innovation, lateral thinking, vision, entrepreneurship, ... networking ability, international orientation”.

The GLOBE study in New Zealand, coming ten years after this watershed, provides an opportunity to identify the extent to which our leaders have moved from the style described by Hines.

THE GLOBE STUDY

The Global Leadership and Organisational Behaviour Effectiveness Research Program (GLOBE) project is a major study, extending over many years. It aims to develop an empirically-based theory to describe, understand and predict the influence of cultural variables on leadership and organisational processes. The GLOBE community now comprises around 170 researchers in over 60 countries. Details on the GLOBE study methodology are presented in two recently published papers (den Hartog et al. 1999; House et al. 1999).

The final set of leadership dimensions used in the GLOBE study were derived from factor analysis of responses to approximately 16,000 questionnaires from middle managers of approximately 825 organisations in 64 countries. Six global dimensions of leader behaviour were identified, based on 21 underlying specific leader attributes or behaviours. Similarly, eight dimensions of societal culture emerged (matched with corresponding measures of organisational culture dimensions).

Societal Culture

Of all 62 cultures (from 60 countries) in the study, New Zealand gave the highest rating to Performance Orientation. The middle managers in the survey clearly believe that New Zealand society encourages and rewards people for performance improvement and excellence. In the sporting arena, our athletes have very high expectations placed on them by the public, and are severely criticised when their performance drops. Rapid deregulation of the economy from the mid-1980s has opened our firms to international competition, and removed any remaining governmental subsidies or protection. Given the distance to most of our trading partners, companies have had to lift their performance to (or above) international standards. Remuneration surveys have also shown a marked trend towards greater emphasis on ‘pay for performance’.

New Zealand respondents also rated our society as comparatively high on Uncertainty Avoidance (ranking 8th highest in the sample). In some areas (for example, welfare legislation) New Zealand has traditionally minimised uncertainty. Hofstede’s earlier work indicated that New Zealanders were more tolerant of uncertainty than suggested by the

GLOBE findings, and common cultural stereotype themes of independence support this. However, the dramatic changes in the economy over the past decade have left few households unaffected (Ansley 2000). It is possible that a weariness is setting in, and that this is reflected in a desire for greater stability, certainty, and predictability.

New Zealand was one of the lowest ranked countries on the Power Distance dimension in Hofstede's studies, and it ranks 50th out of 62 in the GLOBE study. This is coupled with a low Assertiveness rating — New Zealand scored lowest of all countries on this dimension. Respondents clearly believe that, in comparison with other countries, assertion, dominance and aggression are not normal aspects of social relationships in New Zealand.

New Zealand's rating on the Future Orientation dimension ranks 43rd among the surveyed countries. The average of 3.47 suggests that we place a comparatively low emphasis on future-oriented behaviours such as planning, investing in the future, and delaying gratification. Managers in the survey identified this as an area they believed required the greatest amount of change, expressing a desire for a much higher emphasis on future orientation.

The Leadership Scales

The dimensions considered by respondents to contribute most to the effectiveness of New Zealand leaders were (with ranking out of 62 cultures in parentheses) Charismatic II: Inspirational (3), Performance Orientation (13), and Charismatic I: Visionary (16). While Decisiveness (45) and Integrity (58) were also rated highly, most other countries gave these dimensions even higher ratings.

New Zealand managers value leaders who inspire enthusiasm and generate commitment among staff. They must be able to achieve challenging goals, and to push out the boundaries in striving for higher standards. Perhaps in reaction to the perceived low emphasis in society on the cultural dimension of Future Orientation, the managers placed importance on a leader being able to demonstrate foresight, to plan ahead, and to take actions in consideration of future goals.

The low rating for Integrity reflects the low level of corruption in New Zealand, which has consistently performed highly in studies such as those conducted by Transparency International (Transparency International 1999). Given that most of our managers are honest, then Integrity is not as useful at distinguishing good from bad leaders as it may be in some other countries.

The Diplomatic (54) and Administratively Competent (60) scales were considered to contribute slightly to effective leadership, but New Zealand ratings were much lower than those given by most other countries.

At the other extreme, New Zealand managers considered Face Saving behaviors, and an emphasis on procedural rules and guidelines, to impede leadership effectiveness.

Factor analysis of the New Zealand results is useful in identifying the patterns of leader behaviours that tend to 'hang together'.

Factor Analysis of Leadership Scales

Details on the factor loadings can be obtained from the author. Factor 1 is almost identical to the first factor emerging from the GLOBE second-order factor analysis (House et al. 1999), captured by the Charismatic/Value Based and Team Oriented dimensions. The only difference is that the Charismatic II and Charismatic III subscales have their highest loadings on other factors in the New Zealand analysis. It is very much a 'team-manager' factor, capturing a style of leading which encompasses personal managerial skills focused on creating and maintaining a working group. The Team I, Team II and Diplomatic scale items emphasise the importance of working together, resolving individual and intra-group conflict, giving time and energy to help others, being skilled and tactful in interpersonal relations, and being loyal to the group even in times of trouble.

The high negative loading of Malevolent indicates the undesirability of attributes such as irritability, dishonesty, egotistical behaviours, cynicism, slowness to learn, and uncooperativeness.

While Autocratic and Self-Centred have their highest loadings on Factor 2, they also have sizable negative loadings on Factor 1, and this ties in nicely — the factor captures the importance of the group, rather than the individual. The Autocratic scale includes items such as the tendency to make decisions in a dictatorial way, and the belief that some people are entitled to special privileges. These are inimical to the creation of good teams. Similarly, the Self-Centred scale consists of items reflecting a person's disinterest in being part of a group at all.

In addition to these team-oriented scales, the Factor has loadings from the Decisive and Performance Oriented subscales. These capture elements of effective behaviours — the ability to make decisions firmly and logically, to be determined and persistent, and to strive for increasingly high levels of performance. The team has to be an efficient and effective one, not an unstructured or directionless group.

Factor 2 includes elements of both the Self-Protective and Participative GLOBE dimensions. It captures a self-centred, directive leadership style. A strong loading from Autocratic captures both leadership style (bossy, domineering, dictatorial, intolerant of questioning) and belief in elitism. The other four scales loading positively on this factor are Conflict Inducer, Non-Participative, Self-Centred and Autonomous. These reflect attributes such as an emphasis on one's own interests, rather than the group's, an insistence on making decisions personally, and a preference for concealing information from the group.

Finally, the high negative loading on Modesty clearly links into New Zealanders' abhorrence of the 'self-promoter', indicating the importance of modesty (does not boast, presents self in a modest way) and a self-effacing manner. This is very consistent with the low emphasis on Assertiveness in the societal culture scales.

The highest loading (negative) scale on Factor 3 is the Charismatic II: Inspirational scale (which, incidentally, received the highest average rating of any of the scales — it is seen as contributing most significantly to effective leadership). Scale content addresses the extent to which leaders display (or generate in their followers) positivity, encouragement, enthusiasm, high morale, confidence and energy. The Humane subscale reflects a sense of compassion and generosity in assisting others.

As evidenced by the strong loading of the Face-Saving and Status-Conscious subscales, an egalitarian approach coupled with clear and direct communication is an important part of the leadership perspective captured by this factor.

The only subscale with its highest loading on Factor 4 is Procedural (although Status-Conscious also has a loading >0.4). The Procedural subscale taps items relating to formality, caution, maintaining a habitual routine, and a preference for following established rules. The Status subscale indicates a leader who is aware of class and status boundaries and acts accordingly.

The only scale to load significantly on the fifth factor is Charismatic III: Self Sacrificial. This illustrates a leader who is willing to invest major resources in endeavours that do not have a high probability of success, someone who is willing to forego self-interest and make personal sacrifices in the interest of a goal or vision, and who is unusually able to persuade others of his/her viewpoint. A good recent example is that of Russell Coutts, who stepped aside from the helm of Team New Zealand's boat to allow his understudy to win the deciding race in the final of the 2000 America's Cup.

The leadership scales are based on variables rated from 1 ('greatly inhibits a person from being an outstanding leader') to 7 ('contributes greatly to a person being an outstanding leader'). By taking the average score on each of the leadership scales loading on each factor, we can therefore assess the extent to which a high factor score is positively or negatively associated with New Zealand managers' view of effective leadership. On this basis, the cluster of leadership scales represented by Factor 1 are the ones seen as being most highly valued in New Zealand leaders. The presence of characteristics captured by Factor 3 is seen as seriously inhibiting effective leadership. Factors 2 (especially the autocratic, self-centred and non-participative components) and 4 are also seen as undesirable leadership styles. Finally, Factor 5 (self-sacrificial) is seen as a style contributing to effective leadership.

CONCLUSION

Over the last fifteen years, New Zealand has been navigating the transition from a centralised and highly regulated economy to one characterised by open markets, rapid change and minimal government intervention. By contrasting the GLOBE study findings with earlier research into New Zealand management behaviors we find that the culturally implicit theory of leadership in New Zealand appears to have followed a similar pattern. We have shifted from a hierarchical 'command and control' mentality, to one characterised by a preference for empowerment and inspirational leadership. New Zealanders have historically been characterised as a 'passionless people' (McLauchlan & Morgan 1976) with a 'lurking respect for the dictator' (Pearson 1974). In regard to

organisational leadership, the GLOBE results challenge the continued validity of both of these beliefs.

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