

# Transformational Leadership VS. Transactional Leadership:

The Influence of Gender and Culture on Leadership Styles of SMEs in China and Sweden

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# **Abstract**

Transformational and transactional leadership, which focus on the relationship between leaders and employees, are the most recent development of leadership theories. Yet studies on the impact of gender and culture on transformational and transactional leadership styles are limited. This Master Dissertation therefore aims to shed new light on that issue. First, it attempts to compare leadership styles adopted by managers of SMEs in China and Sweden. Second, it tries to evaluate which element - gender or culture - exerts a more important influence upon leadership styles.

Based on empirical researches, ten hypotheses are formulated and a new model is developed in the dissertation. In addition, the deductive approach is chosen as methodology and quantitative data is gathered with the help of an empirical study of an online questionnaire.

Eventually, the present research indicates that both Chinese managers and Swedish managers of SMEs are prone to be more transformational than transactional. It also shows that there is no gender influence upon leadership styles. In contrast, culture exerts a little more impact on leadership styles of SMEs in China and Sweden.

Key words: transformational leadership style, transactional leadership style, gender, culture, China, Sweden

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# **Chapter 1 Introduction**

For the past decades, the topic on the influence of gender and culture on leadership styles has aroused significant research interests. In this chapter, the purpose of the dissertation is explained, an overview of the background is presented, and the research questions and limitations are discussed. Finally, the outline of the dissertation is presented.

# 1.1. Background

As Chinese exchange students majoring in International Business in Sweden, we show our great interest and aspiration to valuate and compare the leadership styles between China and Sweden. Furthermore, we explore two possible reasons: gender and culture. Then, in the following chapters we try to find out which element – gender or culture - exerts a more important impact on the leadership style of Small-and-Medium Sized Enterprises (It will be called "SMEs" for short thereafter) in China and Sweden.

Leadership is a topic of enormous interest in business circle. Anyone who has been reading either popular works on leadership or academic literature on the subject will be likely to have noticed the emergence of a new concept in this field, transformational leadership and transactional leadership.

Due to gender and cultural differences, managers probably lead their companies in different ways even in similar industries. From a gender perspective, some researchers indicate that male managers have a more transactional leadership style, while female managers' leadership style could be described more as transformational (Rosener, 1990). Others show that female managers see themselves and their superiors as androgynous; whereas male managers see themselves as masculine or feminine (Vinneicombe and Cames, 1998). On the contrary, some researches report that female managers lead companies in ways that are more similar than different to men in male-dominated industries (Gardiner and Tiggemann, 1999). This argument reversely indicates that a company's management practices are somewhat influenced by the nationality of the leaders rather than the gender differences (Laurent, 1987). We observe that there are various opinions toward the same issues among the researchers. Some show that the different leadership styles result from the different cultural contexts.

Others report that the differences lie in gender orientation.

We delimit our research setting to SMEs. The reasons lie in that SMEs are more independent in leadership than MNEs and they may typically represent their own national leadership styles from our viewpoint. As to the definition of SME, it varies from different countries. The details are presented in Figure 1.1.

Figure 1.1 Definitions of SMEs of China and Sweden

Countries	Definition of SMEs	Number of employees
China	In China, the definition of SMEs is varied with different industries.	Usually < 100 employees
		In handicraft industries, < 20 employees
		In heavy industries: < 1000 employees
Sweden	In Sweden, SMEs are defined as autonomous firms with less than 200 employees.	< 200 employees

Source: Globalization and Small and Medium enterprises, Vol. 1 Synthesis Report, 1997

#### 1.2.Problem

From the literature review and discussion, we know that most of the related studies focus on either the relationship between leadership and gender, or the relationship between leadership and culture. On the other hand, research on the influence of gender and culture on leadership of SMEs in China and Sweden is limited. Gibson (1995) also recommended more research into gender characteristics and cultural orientations, particularly Hofstede's dimensions, in order to gain a greater understanding of the influence of culture on leadership. This present research will hopefully shed new light on that issue.

#### 1.3.Purpose

The main purposes of this research are as follows:

Firstly, we broaden the current framework of research on two different leadership styles: transformational and transactional, to empirically evaluate managers' leadership styles of SMEs in China and Sweden. Secondly, we try to analyze and identify the influence of gender

and culture on leadership styles of SMEs between the two countries. Finally, we attempt to build our own model concerning the correlation between gender and leadership styles, and the relation between culture and leadership styles, and hopefully it can be generalized and applied in different cultural context other than China and Sweden.

#### 1.4. Limitations

One of the limitations of our dissertation is that we may have missed some of the latest researches on transformational and transactional leadership. Another limitation is that we ascribe the different leadership styles of SMEs in China and Sweden only to gender and culture. In this sense, other important reasons could be ignored, for instance, managers' personal traits, which have often been said to have important impact on leadership styles and organizational performance. Finally, there are perhaps other limitations that have been neglected.

#### 1.5. Research Questions

- What characterize the leadership styles of SMEs in China and Sweden? Are they transformational or transactional?
- Which element gender or culture exerts a more important impact on the leadership styles of SMEs in China and Sweden?

#### 1.6. Outline

The outline of the dissertation is presented in the following:

Chapter 2: The methodology, including data collection, research philosophy and research approach, is introduced.

Chapter 3: The theoretical framework is presented. The theories of leadership styles, including transformational and transactional leadership, are described and analyzed. Besides, the theories and recent research about gender and leadership styles are presented and explained. Further, the relationship between leadership styles and the four dimensions of Hofstede's Theory – Power Distance, Collectivism versus Individualism, Masculinity versus Femininity, and Uncertainty Avoidance - are discussed and analyzed.

Chapter 4: An explanatory model of our own is created, with the purpose to explain the influence of gender and culture on leadership styles of SMEs in China and Sweden. Finally, ten hypotheses developed from the theories are put forth.

Chapter 5: The empirical method is stated in detail. The chapter starts with a research strategy, which aims to explain or approach in answering the research questions. The chapter concludes with a discussion on the reliability, validity and generalisability of the study.

Chapter 6: The result of our study is analyzed, the ten hypotheses are tested and evaluated. Finally, the two research questions are answered.

Chapter 7: The conclusion is drawn in this chapter. The applicability of the explanatory model is evaluated. Finally, suggestions for future research and practical implications are presented.

# **Chapter 2 Methodology**

This chapter explains the different choices concerning the methodology. The methodology, including data collection, research philosophy as well as research approach is introduced.

#### 2.1. Choice of Methodology

The main purpose of our dissertation is to evaluate the relationship between gender and leadership styles, and the correlation between culture and leadership styles. Therefore, we studied previous researches in the area of leadership style theories, and focused on characteristics of transformational and transactional leadership. We also studied traditional cross-cultural management theories and the theories of gender and leadership. Among the materials we found Bass' theories and Hofstede's theories of four cultural dimensions to be helpful. Therefore, we brought forth ten hypotheses based on their theories. Further, we developed our own model and attempted to make it generalized. We hereafter conducted an online questionnaire to do the research.

#### 2.2. Data Collection

#### 2.2.1. Secondary Data

Secondary data include both quantitative and qualitative data, and they are used principally in both descriptive and explanatory research. There are three main subgroups of secondary data: documentary secondary data, survey-based secondary data, and multiple-source secondary data (Saunders, Lewis & Thornhill, 2007).

In our research, extensive literature was reviewed on the relatively new concepts of transformational and transactional leadership. We focused on documentary secondary data, such as journals, books, business reports, magazine articles. The following criteria had to be met: contemporary, written in English or Chinese. And the most important criterion is that it should be concerned with the three factors: leadership styles, gender and culture.

This dissertation is mainly based on Bass' transformational and transactional theories and Hofstede's theories of four cultural dimensions. Besides, some of the most recognized researchers are Burns, (1978), Avolio (1992), and Kark (2000).

#### 2.2.2. Primary Data

Primary data are new data that are needed for a special research. The data can be collected in a number of ways, e.g. observations, semi-structured, in-depth and group interviews, as well as questionnaires, (Saunders, Lewis & Thornhill, 2007). However, we found that questionnaire technique was most appropriate to our research questions and objectives, because it can provide us with an efficient way of collecting responses from a large sample prior to quantitative analysis. With the purpose of testing our model, we conducted a survey by using an online questionnaire. The questions in the questionnaire were linked to our ten hypotheses. More details concerning the questionnaire are explained in 5.3.

#### 2.2.3. Qualitative Method and Quantitative Method

A data can be either qualitative or quantitative. Qualitative data is non-numerical data or data, which have not been quantified, for example, interviews. This form of method might create a deeper understanding of the problem that is being studied (Andersen, 1998).

The opposite of qualitative data is quantitative data. It consists of numerical data or data, which has been quantified, one example is a survey based on a questionnaire (Sounders, Lewis & Thornhill, 2007). This method is characterized of diligent use of statistics and mathematics (Andersen, 1998).

We selected quantitative approach in order to make our results more reliable and scientific. Our data was analyzed by the statistical analysis software SPSS.

#### 2.3. Research Approach

There are two main research approaches: deductive approach and inductive approach. The appropriate research approach provides the guidelines for the methodology.

The deductive method is when you begin with a theory and then perform an investigation in order to confirm or reject the specific theory. Thus, a deductive approach is often accompanied by a survey as a means of collecting data. On the other hand, the inductive approach is when you observe a phenomenon and tries to explain it in a theoretical manner, in other words, the deductive approach reversed (Saunders, Lewis & Thornhill, 2007).

We adopted a deductive approach since we started the process by a literature review. As we

gained adequate knowledge we were ready to develop our model and state our own hypotheses. Then, we tried to test them on Swedish and Chinese managers by doing a survey. The questionnaire met our needs well as it enabled us to reach a large number of participants. The advantage of such a method was that we could get an adequate response of our selection while the disadvantage was that a questionnaire could be misinterpreted if the questions were not so good.

#### 2.4. Research Philosophy

In the research process, there are three common philosophies: positivism, realism and interpretivism. The principle of positivism was used through our dissertation since we used existing theory to develop hypotheses and had them tested by using a quantitative survey.

Researches who adopt a positivistic view strive to be independent, which means that they do not want to affect or be affected by the subject or the research (Saunders, Lewis & Thornhill, 2007). When we conducted our research we tried to stay neutral and not let our expectations make influence on the result.

We did not find the interpretivistic approach practicable because we wanted to generalize our model and applied it in different cultural context other than China and Sweden. However, interpretivistic approach emphasizes that generalisability is not vital(Saunders, Lewis & Thornhill, 2007).

# **Chapter 3 Theoretical Framework**

The theoretical framework is presented. The theories of leadership styles, including transformational and transactional leadership, are described. Besides, the theories and recent research about gender and leadership styles are discussed. Further, the relationship between leadership styles and the four dimensions of Hofstede's Theory are presented.

## 3.1. An Overview of Theories of Leadership

# 3.1.1. Introduction: Concepts of Leadership

A day seldom passes without stories showing in the media about leadership. The word *leadership* is one of the world's oldest concepts. In earlier times, words meaning "head of state," "military commander", "principles," "proconsul," "chief", or "king" were very common in most societies; these words differentiated the ruler from other members of society (Bass, 1997). The word *leadership* first occurred mainly in countries with Anglo-Saxon heritage (Bass, 1997), but it did not appear in Britain until the first half of the nineteenth century.

As for the meaning of leadership, there are various opinions among different researchers. Pfeffer (1977) finds that many of the definitions are ambiguous (Bass, 1997); and Spitzberg (1986) reports that the meaning of leadership may depend on the kind of institution in which it is found. In this dissertation, we only focus on leadership in businesses or organizations, therefore, some definitions will be ignored.

James MacGregor Burns (1978) writes that a study of the definition of the word *leadership* reveals 130 definitions. However, several generally-accepted variations on the definition appear in the management and leadership literature. He concludes by presenting five characteristics of leadership:

- Leadership is collective. James Burns regards the notion of one-person leadership as "a contradiction in terms", because both leaders and followers must exist. Also, an organization may have multiple leaders all acting in correspondence with one another.
- Leadership is dissension. Burns claims that leadership coexists with dissent. Indeed,

much of the growth of any organization centers on the management/leadership of dissent, except in times of war.

- Leadership is causative. True leadership affects the motives of individuals and groups of peoples and alters the course of the organizational history. It causes positive change.
- Leadership is morally purposeful. Burns sees leadership as goal-oriented, with leaders and followers pointing the way to some future state of the organization with plans about how those goals might be met.
- Transforming leadership is elevating. Engagement between leaders and followers takes
  place on a moral but not a moralistic plane, as both leaders and followers rise to live
  more principled lives (Burn, 1978).

According to Bass, leadership has been conceived as the focus of group processes, as a matter of personality, as a matter of including compliance, as the exercise of influence, as particular behaviors, as a form of persuasion, as a power relation, as an instrument to achieve goals, as an effect of interaction, as a differentiated role, as initiation of structure, and as many combinations of these definitions (Bass, 1997).

In conclusion, we think Bass' and Burn's definitions are much more related to business and organizations, and much more specific than others.

#### 3.1.2. Characteristics of Leadership Theories

#### 3.1.2.1. Four Types of Leadership Theories

Leadership theories can be featured generally as being concerned with who leads (i.e., characteristics of leaders), how they lead (i.e., leader behaviors), under what circumstances they lead (i.e., situational theories, contingency theories), or who follows the leader (i.e., relational theories) (Cleveland, Stockdale & Murphy, 2000). Examples of all four approaches are presented in the following.

#### *Trait Approaches*

It is a conventional vision that great leaders possess special traits that distinguish them from other people. This vision shares the same idea with "great-person" theory, which indicates that leaders normally have extraordinary ambition, clear and articulate vision, and a winning personality that draw people to them; these leaders possess certain traits to a greater extent than do non-leaders. Moreover, some researchers report that the traits which distinguish great leaders from others are inherited (Cleveland, Stockdale & Murphy, 2000).

## Behavioral Approaches

The behavioral approach focuses on what leader do rather than what traits they possess. Researchers categorize the leaders' behaviors into two attributes: consideration (C) and initiating structure (IS) (Feishman,1973). Consideration consists of behaviors that show a concern for people, their needs, and their relationships with others. Initiating structure constitutes concern for organizing and accomplishing tasks. Note that the two attributes are uncorrelated, therefore, one leader can demonstrate both C and IS behaviors, one or the other, or neither. By definition a person who does not engage in either C or IS behaviors is not a leader. The researches on Behavioral Theories include Blake & Mouton's Managerial Grid (1964); Lipman-Bluman, 1996; Yukl & Van Fleet, 1992; Wall & Lepsinger, 1990; etc.

# Contingency Theories

Contingency theories contend that there is not one best way of leadership and that one leadership style which is effective in some situations may not be successful in others. In other words, the optimal leadership is contingent upon various external and internal constraints, including the size of organizations, their environments, differences among resources, employees, strategies, etc.

There are four representative contingency theories over the decades, which are Fiedler's Contingency (1967), Path-Goal Theory (House & Mitchell, 1974), Substitutes for Leadership (1978) and Vroom-Yettoon Decision Tree Model (1973).

#### Situational Theories

Situational leadership theories try to explain leaders' style, behavior, or effectiveness by understanding how aspects of the situation shape leaders' behaviors. The theories presume that different leadership styles are better in different situations, and that leaders must be flexible enough to adapt their style to the situation they are in. A good situational leader is one who can quickly change leadership styles as the situation changes; in contrast, a leader without changing his leadership style according to the changing situation would doom to

failure. The best known model of situational theories is developed by Blanchard and Hersey (1969, 1999).

#### Relational-Based Theories

Relational-Based Theories are the more recent development of leadership theories. The theories seem to move away from traits, behaviors, styles, and situational characteristics that determine leadership. Instead, they focus on the relationship between leaders and followers. In other words, the theories are based on social-exchange theory, which states that both the leader and the followers commit to working together (i.e., the followers are willing to be led and the leader is willing to provide direction and support) as long as members find the relationship mutually satisfying (Cleveland, Stockdale & Murphy, 2000).

Two influential relationship-based leadership theories are the Leader-Member Exchange (LMX) model by Dansereau, Graen, and Haga (1975) and Transformational Leadership by Bass and Avolio (1994).

# 3.1.2.2. Summary

According to researchers, trait approaches, behavioral approaches, contingency theories and situational theories belong to traditional theories of leadership; and Relational-Based Theories are most recent development of leadership theories. The discussion is continued in the following sections.

# 3.1.3. Traditional Theories of Leadership

Based on the discussion of characteristics of leadership theories above, traditional leadership theories include trait approaches, behavioral approaches, situational theories and contingency theories. From some empirical researches, contingency and situational theories are the two most influential and representative approaches among all the traditional theories (Cleveland, Stockdale & Murphy, 2000).

The Contingency Theory is similar to situational theory in that there is an assumption of no simply one right way. The main differences is that the Situational Theory tends to focus more on the behaviors that leader should adopt, given situational factors (often about follower behavior), that is, leaders should change their leadership styles due to changing situations; whereas the Contingency Theory takes a broader view that includes contingent factors about

leader capability and other variables within the situation. Put in another way, contingency theories suggest that leaders should change their situation to achieve effectiveness, rather than change their leadership style.

#### 3.1.4. New Leadership in the 21st Century

#### 3.1.4.1. Introduction

During the last two decades, the leadership styles in organizations have been changing rapidly. On the one hand, the rapid pace of technological developments exerts a crucial influence on the organizational development and leadership styles. On the other hand, the participation of women in business is challenging a male-dominated society in the form of organizational culture, leadership styles, etc. Therefore, a simple and single approach, based on traits, behaviors, etc, is insufficient for understanding all the attributes leaders must possess and all the strategies they must adopt in order to thrive. In the following sections, two influential modern approaches – transformational leadership and connective leadership – are presented to offer a better understanding of new leadership in the 21<sup>st</sup> century.

# 3.1.4.2. Transformational Leadership

Transformational leadership is "the process of influencing major changes in the attitudes and assumptions of organizational members...and building commitment for major changes in the organization's objectives and strategies (Yukl & Fleet, 1992, 174)."

Transformational leadership goes beyond the day-to-day, reward/punishment-based styles described in "transactional" theories of leadership, for instance, leader-member exchange theory (Ohio State leadership studies). Transactional leadership produces incremental changes in way followers behave, for instance, transactional leaders generally reward or disciplines the follower depending on the adequacy of the follower's performance; whereas transformational leadership produces fundamental changes in followers' beliefs and attitudes about the organization, for example, transformational leaders always aim to intellectually stimulate the followers' use of their abilities (Cleveland, Stockdale & Murphy, 2000).

In the age of increasing turbulence, many scholars suggest that transformational leadership should be more suitable for organizational effectiveness. There exist the theories of Brun's (1978); Conger & Kanungo's (1987); R.J. House (1997); Bass (1985); Bass & Avolio's (1994).

3.1.4.3. Connective Leadership

According to Lipman and Blumen (1996), the leadership styles are a consequence of

childhood learning on what we see as effective ways to get things done. The Connective

Leadership Model (CLM) is about leaders' preferences: how they achieve goals, not what

those goals are. The CLM has three behavioral styles, each of which has three further

achieving styles.

*Direct*: intrinsic, competitive and power styles

Relational: vicarious, contributory and collaborative styles

*Instrumental*: entrusting, social and personal styles

3.1.4.4. Summary

The theories of transformational leadership and connective leadership are the most recent

development of leadership theories. The main difference which new leadership theories

distinguish from the traditional leadership theories is that the former is associated with the

influence of gender on leadership, whereas the latter only focuses on the leadership in

male-dominated industries.

3.1.5. Summary of Leadership Theories

Based on the empirical studies above, traditional leadership theories are characterized by

situational and contingency theories, whereas new leadership theories are characterized by

relational-based theories. In a rapidly changing business society, however, the traditional

theories are insufficient for understanding the relationship between leaders and employees. In

contrast, new leadership theories are the most recent development of leadership theories;

more specifically, the Transformational Theory is more fully developed than other new

theories and it has received more attention than most. Besides, the Transformational Theory

is associated with the influence of gender on leadership, which has been ignored by

traditional leadership theories in male-dominated industries. Therefore, we will focus on the

transformationnal leadership theory and choose it as the main research topic in our

dissertation.

3.2. Transformational VS. Transactional Leadership

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#### 3.2.1. Introduction

For the past decades, as we have discussed above, many researchers have attempted to explore leadership theories, among a vast amount of which, transformational leadership and transactional leadership stand out amongst many other theories. There are lots of evidence that transformational leadership is associated with superior performance.

J M Burns (1978) first coined the term "transforming leadership" to describe a relationship in which "leaders and followers raise one another to higher levels of motivation and morality."

Building on this initial conceptualization, Bass (1998) extended the concept of transformational leadership to describe those who motivate followers to do more than they originally intended to do by presenting followers with a compelling vision and encouraging them to transcend their own interests for those of the group or unit. In fact, a defining characteristic of transformational leadership is the enormous personal impact it has on followers' values, aspirations, ways of thinking about work and interpreting events. Transformational leaders transform followers by transforming followers' values and beliefs.

Bass and Avolio later developed the "full range of leadership" model which comprises three styles: (a) transformational (b) transactional (c) laissez-faire. In this model, transactional leadership, building on the work of Burns, is characterized by an exchange relationship in which leaders motivate followers by providing them with rewards (or punishments) in return for follower effort (or lack of effort). Laissez-faire leadership is a "hands off" style in which the person in charge "abdicates responsibility, delays decisions, gives no feedback, and makes little effort to help followers satisfy their needs." Laissez-faire leaders permit followers to direct themselves. Broadly speaking, Laissez-faire belongs to transactional leadership (Bass & Avolio, 1998).

Within the transformational leadership construct, Bass identifies four factors, or types of leadership behaviors that are classified as transformational: (1) Idealized Influence (II); (2) Inspirational Motivation (IM); (3) Intellectual Stimulation (IS); (4) Individualized Consideration (IC). Moreover, Bass also presents three components that are characteristic of transactional: (1) Contingent Reward (CR); (2) Management-By-Exception (MBE); (3) Laissez-Faire Leadership (LF). The components of transformational and transactional leadership will be discussed in details in the following sections.

## 3.2.2. Components of Transformational Leadership

According to Bass and Avolio (1994), there are four components of transformational leadership – Idealized Influence (or Charismatic leadership), Inspirational Motivation, Intellectual Stimulation, Individualized Consideration - which are labeled as "the Four I's."

# Idealized Influence (II)

Idealized Influence indicates whether leaders hold subordinates' trust, maintain their faith and respect, show dedication to them, appeal to their hopes and dreams, and act as their role model.

# Inspirational Motivation (IM)

Inspirational motivation measures the degree to which leaders provide a vision, use appropriate symbols and images to help others focus on their work, and try to make others feel their work is significant.

#### Intellectual Stimulation (IS)

Intellectual stimulation shows the degree to which leaders encourage others to be creative in looking at old problems in new ways, create an environment that is tolerant of seemingly extreme positions, and nurture people to question their own values and beliefs and those of the organization.

## Individualized Consideration (IC)

Individualized consideration indicates the degree to which leaders show interest in others' well-being, assign projects individually, and pay attention to those who seem less involved in the group.

#### 3.2.3. Components of Transactional Leadership

According to Bass and Avolio (1994), there are three components of transactional leadership: Contingent Reward, Management-by-Exception and Laissez-Faire Leadership.

#### Contingent Reward (CR)

Contingent reward shows the degree to which leaders tell others what to do in order to be rewarded, emphasize what leaders expect from them, and recognize their accomplishments.

*Management-by-Exception (MBE)* 

Management-by-exception assesses whether leaders tell others the job requirements, are content with standard performance, and are a believer in "if it ain't broke, don't fix it.

Laissez-Faire Leadership (LF)

Laissez-faire measures whether leaders require little of others, are content to let things ride, and let others do their own thing.

#### *3.2.4. Summary*

The characteristics of transformational and transactional leaders are summarized in the Figure 3.1.

Figure 3.1 Characteristics of Transformational and Transactional Leaders

#### **Transformational Leaders**

*Idealized Influence (Charisma)*: Provide vision and sense of mission, instills pride, gains respect and trust.

*Inspiration*: communicates high expectations, uses symbols to focus efforts, expresses important purposes in simple ways.

Intellectual Simulation: promotes intelligence, rationality, and careful problem solving.

Individualized Consideration: gives personal attention, treats each employee individually, coaches, advises.

#### **Transactional Leaders**

Contingent Reward: Contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments.

Management-By-Exception: Watches and searches for deviations from rules and standards, takes corrective action; intervenes only if standards are not met.

Laissez-Faire: Abdicates responsibilities, avoids making decisions.

In conclusion, according to the result of Bass's Multifactor Leadership Questionnaire (MLQ), managers who behave like transformational leaders are more likely to seen by their colleagues and employees as satisfying and effective leaders than are those who behave like

transactional leaders(Bass & Avolio, 1994).

### 3.3. Gender and Leadership

# 3.3.1. Overview of Theories of Gender and Leadership

Gender refers to the distinctive culturally created qualities of men and women apart from their biological differences (Brandser, 1996).

An ongoing debate has appeared in the management literature over the past two decades as to whether male and female managers use different leadership styles.

#### 3.3.1.1. Stereotypes of Male and Female Leaders

When evaluating the different ways women or men lead, it is important to determine whether comparisons are based on stereotypical conceptions of male and female leaders or whether such comparisons are based on observed styles or traits of male and female leaders.

Such stereotypes not only carry messages about how various groups are perceived but also convey expectations about how various group members should behave and what characteristics are valued by the dominant groups. According to the definition given by Jeanette & Margaret (2000), Gender stereotypes are socially shared beliefs about the characteristics or attitudes of men and women in general that influence our perceptions of individual men and women.

There is strong evidence for the existence of a leadership prototype (Lord, 1985). This prototype of a "good leader" is found to be cloaked in masculine terms. Extensive research of Schein (2001) confirms, on an international level, the hypotheses that managers are perceived to possess characteristics commonly ascribed to men. Women are typically perceived as less competent, as less effective. There are also some more subtle forms of bias. For example, it is more likely that women's success on a masculine task will be attributed to luck or effort than to ability, compared to men, whereas women's failure is more likely to be attributed to lack of ability than to bad luck (Deaux &Taynor, 1973).

#### 3.3.1.2. Role Incongruity

Stereotype will guide and influence our judgment towards the leadership style between men and women. Individuals hold some beliefs about what constitutes masculinity and femininity and these beliefs shape our perception of who is likely to perform certain behaviours and what behaviours are appropriate at management. When someone or certain gender does not follow the expectation that he or she should act based on his or her own gender, here comes the new concept: Role incongruity. When someone does not meet that expectation, perceptions of leadership ability can wane, regardless of the leader's actual effectiveness (Cummings, 2005).

The aspiration to be successful puts pressure on women to adopt "a masculine style" (Eagly & Johnson, 1990). But as the role congruity theory of prejudice toward female leaders (Eagly & Johnson, 1990) states, incongruence between the female gender role and the traditional leadership role accounts for less favorable perceptions of female leaders and their leadership behavior. Female leaders who adopt stereotypical masculine styles (e.g., autocratic or directive styles) face role conflicts (Heilman, Block, & Martell, 1995). They also receive more negative evaluations, are called "iron ladies", and perceived as aggressive, manipulative, and domineering leaders, in comparison to men who are not penalized for adopting a feminine style (Eagly, Makhijani, & Klonsky, 1992; Heller, 1982).

## 3.3.1.3. Gender Differences in Actual Leadership Styles

The present study investigates changes in the observed leadership style. The stereotype of leadership may be different from the actual leadership style in the reality. Several reasons foster the general assumption: First, the images of female leaders should have changed due to increasing numbers of females at least in middle management positions. Second, the female stereotype should be particularly dynamic due to the greater changes in the roles of women as compared with those of men (Diekman & Eagly, 1999). In other words, it can be assumed that while female stereotypes have changed over the past decades, male stereotypes have remained quite invariant. Bearing these in mind, we examine the recent researches on gender differences in actual leadership behaviors.

#### ➤ Non-Difference Camp

A large number of scholars have written extensively on gender and leadership styles. The numerous theories can be divided into two groups. One is the no-difference camp. Here it is commonly concluded that "in general, comparative research indicates that there are few differences in the leadership style of female and male designated leaderships (Bartol and Martin, cited in Eagly and Johnson, 1990)."

Bartol (1978, 806) summarizes her examination of different organizations as follows: "In most cases, there are either no differences or relatively minor differences between male and female leaders on leadership styles, whether the leaders are describing themselves or being described by their subordinates."

Comprehensive researches by others have come to the same conclusion. A meta-analysis by Eagly and Johnson (1990), which statistically review the results of 167 studies, comparing between the leadership styles of male and female, partially confirm the above conclusions. They find that laboratory studies-mostly with students as research objects—typically show sex differences in leadership style, while in contrast of the stereotypic expectation, female and male leaders do not differ in these two styles in organizations. The explanation of the former may be that in laboratory settings, the rules about how one should behave are unclear, which means that people fall back on gender roles to provide guidance and therefore behave more gender-stereotypically than in other situations, or that the subjects are students rather than managers. In organizational settings, that is, studies of "real" managers, those occupying these positions are selectively recruited and have typically adapted norms for appropriate behaviors. They (1990; as cited in Carless, 1998) argue that female leaders are less likely than their male counterparts to be interpersonally oriented or use participative leadership styles when they worked within a male-dominated organization or industry.

In another study, Gary Powell, a professor of management at the University of Connecticut, summarizes the major studies that have investigated differences in male and female leadership styles and found that although men tend to have greater company loyalty, motivation to advance within the company, and attentiveness to power structures compared to women, women tend to have greater administrative ability, interpersonal skills and sensitivity, written skills, energy, and work standards compared to men. Powell argues that any gender differences in leadership style can be explained by situational factors. When women are in

situations requiring autocratic leadership (e.g., the military), they are more likely to be autocratic than democratic. Similarly, men tend to use participative leadership styles in situations that require it. (Powell, 1993)

Such failure to find differences between men and women in their leadership styles might have been importantly affected by a selection effect. First, as the recruitment of middle managers is done with this masculine role model in mind, a disproportional amount of women that do not fit into it are selected out. Second, as Lazear and Rosen (1990) explain in the context of job ladders, women that self-select into the long process of pursuing a managerial career must be productive enough as managers (within the "masculine manager" paradigm) to balance their higher opportunity cost in terms of household production.

#### ➤ Gender-Difference Camp

Recently, as opposed to the above mentioned studies, a number of researchers maintain that there are clear differences between women and men in their leadership styles. These may be seen as a response to a certain de-masculinization of traditional leadership ideals in corporate practice.

In 1990, following the publication of a Harvard Business Review article, "Ways women lead" (Rosener, 1990), the previously researched conclusion of no gender differences in leadership styles was called into question. Even Bass, who had previously been a strong advocate for no female-male differences in leadership styles, began to question his previous conclusions (Bass *et al.*, 1996).

#### Feminine Leadership Style

Earlier thinking emphasizes that women who had achieved leadership positions are imitators of male characteristics, but contemporary theories recognize feminine leadership styles (Helgesen, 1990; Stanford *et al.*, 1995)

Female leadership tends towards a style defined as "interactive leadership" (Rosener, 1990). As a result of the interview process, Rosener develop this phrase to describe the style these women were using. They encourage inclusion through participation, share power and information, and enhance other people's self-worth, using "win-win" approaches. The participants are comfortable using a variety of management styles, depending on the situation,

but indicate a preference for a participatory approach.

Rosener's study finds that most of the women interviewed are in medium-sized organizations experiencing fast change, where the focus is on results that give them an important break. She observes that this finding suggests that in an environment of rapid change, interactive leadership "may emerge as the management style of choice for many organizations," and points out that this style is not directly linked to gender.

#### Masculine Leadership Style

The style of leadership traditionally used by men is "command and control". Men tend to see their power as coming from their organizational position and formal authority.

One research classifies leaders as "directive" and "achievement-oriented" leaders. These are leaders who give specific instructions to others, and expect them to be followed. They challenge and prod others to accept the challenges and achieve those elusive goals. These directive achievement-oriented leadership styles resemble the masculine mould, where the leader is more like an authoritarian father figure with masculine values, and expectations.

#### Androgynous Leadership Style

Androgyny is a combination of masculinity and femininity. Several previous studies suggest that a combination of masculinity and femininity provides the maximum benefits rather than either masculinity or femininity (Blanchard and Sargent, 1984; Chusmiar and Parker, 1991; Kent and Moss, 1993). Kaplan and Sedney (1980) also explain several premises about androgynous identity and leadership style: broad repertoire of responses; flexibility inresponse to situational demands and effectiveness.

To summarize, the person wanting a clear and simple answer to the question of whether women manage in a different way to men is bound to be frustrated, no only by the research available, but also by the complexity of the issue.

Although there may be mixed results in specific pieces of evidence, women's style tend to be more people-oriented than that of men.

## 3.3.2. Gender Perspective on Transformational and Transactional Leadership

#### 3.3.2.1. Introduction

Following the general relationship between gender and leadership, a closer inspection of more specific styles of leadership may reveal interesting gender associations. With the increasing diffusion of transformational leadership theory, there is growing interest in the gender comparison of transformational and transactional leadership.

Most studies focus on examining if women and men leaders differ in the extent they apply transformational leadership and transactional leadership. Several studies focusing on transformational leadership indicate that women are perceived, and perceive themselves, as using transformational leadership styles more than men (Bass *et al.*,1996; Druskat, 1994; Rosener, 1990). However, there have also been studies that failed to discover gender differences in transformational leadership (Komives, 1991; Maher, 1997).

#### 3.3.2.2. Gender Difference Camp

Some latest studies have shown gender differences in these styles of leadership. Among the studies, two different types of conclusions can be distinguished. One assesses the androgynous aspects of transformational leadership, and the other, focuses on the "female advantage" of transformational leadership.

#### Androgynous Traits and Transformational Leadership

Some work has been done on the relationship between androgyny and transformational leadership. These studies stress that transformational leaders may employ a more androgynous style calling for the best in both masculine and feminine sex-typed behaviour (Hackman *et al.*, 1992; Kark, 2000). This gender balance perspective promotes a new ideal of leadership that mixes notions of masculinity and femininity. The results of Heckman *et al.*'s (1992) and Kark's (2000) studies support these assertions by demonstrating that transformational leadership correlates strongly with both feminine and masculine gender characteristics.

#### Feminine Traits and Transformational Leadership

The second stream of study that stresses the "female advantage" in transformational leadership, or even more radically, states that transformational leadership itself as a feminine form of leadership for both men and women. (Bass, 1985; Shamir *et al.* 1993)

While transactional leadership emphasizes stereotypic masculine activities such as goal setting and rational exchange processes, transformational leadership emphasizes the development of followers, their empowerment and the creation of emotional bonds between leaders and followers. These qualities are more consistent with stereotypic female styles of leadership than with stereotypic male styles.

In a sample of middle to upper level managers in Fortune 500 high-tech industrial firms, Bass and Avolio (1992) find that female managers are rated as more transformational than male managers by both male and female subordinates. Differences are also found for transactional leadership: female managers are rated as exhibiting significantly more contingent reward behaviors and fewer management-by-exception behaviors, than male managers.

Similar results is obtained by Druskat (1994), who studies evaluations of female leaders in all-female religious orders and evaluations of male leaders in all-male religious orders in the Roman Catholic Church. Female leaders are evaluated as being more transformational by female subordinates than male leaders who are evaluated by male subordinates. Female leaders are also rated as exhibiting fewer management-by-exception behaviors by their female subordinates than male leaders as evaluated by their male subordinates.

Bass and Avolio (1992) and Druskat (1994) offer similar explanations for their findings. These gender differences in transformational and transactional leadership might be due to differences between men and women in their tendency to be nurturing and promote the development of their subordinates, which is a component of transformational leadership. Druskat (1994) further suggests that transformational leadership may be a more feminine style of leading, and is more likely to emerge in all-female organizations where women control the resources and so are less constrained in their leadership styles.

Results from these two studies are thought-provoking. Women have been evaluated as more transformational in both an organizational (Bass & Avolio, 1992) and in a more nontraditional context (Druskat, 1994). As organizations call for more transformational leadership to guide their organizations through change, women may be more accepted as

leaders. Moreover, transformational leadership has been positively linked to business-unit performance, and is associated with leadership effectiveness more so than transactional leadership (Bass & Avolio, 1992). If women typically exhibit transformational leadership behaviors, this may contribute to breaking the "glass ceiling", as women are increasingly selected to occupy executive-level positions.

#### 3.3.2.3. Non-Differences Camp

However, gender differences have not been found in all samples. Some researchers have discovered no gender differences in transformational and transactional leadership.

Komives (1991) investigates differences in transformational and transactional leadership with a sample of both same-gender and cross-gender pairs of residence hall directors and residence hall assistants. Leaders rate their own transformational and transactional leadership styles. Their followers also rate their leaders' styles on these same dimensions. In contrast to the findings of Bass and Avolio (1992) and Druskat (1994), Komives (1991) finds no significant gender differences in transformational or transactional leadership ratings for residence hall directors across seven campuses. Moreover, Komives (1991) reports that male and female hall directors did not generally differ in their self-evaluations of the degree to which they exhibit transformational leadership.

#### 3.2.2.4. Summary

In sum, although the results are inconsistent, they do indicate a tendency for women to be rated as slightly more transformational.

Given the positive correlations of transformational leadership with performance effectiveness and job satisfaction, it follows that if women are more transformational than their male counterparts, they will be more effective and satisfying.

With the current trend toward a corporate culture emphasizing "feminine" caring and concern for others without diminishing the importance of completing the work to be done (Offerman &Gowing, 1990), it is meaningful to investigate the possible relationship between gender and transformational leadership style in the certain context of China and Sweden.

#### 3.4. Culture and Leadership

3.4.1. An Overview of Theories of Culture and Leadership Styles

#### 3.4.1.1. Theories of Culture

Several definitions of the word *culture* are found in the existing literature. Normally, culture is accepted by some researchers as "civilization" or "refinement of the mind" and, in particular, the results of such refinement, including education, art, and literature. This is culture in the narrow sense (Hofstede, 2005, 3). However, we choose to use another definition defined by Hofstede (2005), which refers to "the collective programming of the mind which distinguishes the members of one group or category [nation] from another."

According to Hofstede (2005), Culture consists of various levels, since almost everyone belongs to a number of different groups and categories at the same time, and every group or category of people carries a set of common mental programs that constitutes its culture. Different layers of culture exist at the following levels:

- The national culture: It is associated with the nation as a whole.
- *The organizational culture*: it is associated with the particular culture of an organization. Moreover, it is applicable to those who are employed.
- *The regional culture*: It is associated with ethnic, linguistic, or religious differences that exist within a nation.
- The gender culture: It is associated with gender differences (female vs. male)
- *The generation culture*: It is associated with the differences between grandparents and parents, parents and children.
- *The social class culture*: It is associated with educational opportunities and with a personas occupation or profession.

Concerning various layers of culture mentioned above, we choose to only focus on national culture, which defined by Jan Pieter van Oudenhoven (2001) as: "profound beliefs and values, and practices that are shared by the vast majority of people belonging to a certain nation." The reason why we only focused on national culture is that we choose two different nations China and Sweden as our research targets.

#### 3.4.1.2. Theories of Previous Researches on culture and Leadership Styles

Nowadays, there is a growing awareness of the need for a better understanding of the way the leadership is enacted in various cultures (House, 1995, 443). Many cross-cultural studies suggest that culture has a great influence on leadership concepts, styles, and practices (House & Aditya, 1997; Gerstner & Day, 1994; Hofstede, 2001). Laurent (1987) showes that a company's management practices are often a reflection of the value system of the leaders who created them, and that these value systems varied considerably according to the nationality of that leader. Thus, we think leadership styles in different countries should be tightly connected with the national culture.

Besides, Bass (1997) argues that there is universality in the transformational–transactional leadership paradigm. He maintains that the same conception of phenomena and relationships can be observed in a wide range of organizations and cultures, and exceptions can be understood as a consequence of unusual attributes of the organizations or cultures. Moreover, Bass (1991) also considers that it may be possible for a single transformational and transactional leadership theory to explain leadership and its consequences across differing cultures. Thus, according to Bass, leaders who engage in transformational behaviors will be more effective than those who don't, regardless of culture. As noted by Chemers and Ayman (1993), the Bass Transformational Theory is interested in the transformational characteristics of outstanding leaders across different cultures. Moreover, Bass acknowledges that the Transactional and Transformational theory may have to be fine-tuned as it applies to different cultures, and the specific behaviors and decision styles may change to some extent.

Furthermore, Den Hartog *et al.* (1999), finds that, although cross-cultural research emphasizes that different cultural groups are likely to have different conceptions of what leadership should entail, certain attributes associated with transformational leadership are universally endorsed as contributing to outstanding leadership, and some other leadership attributes are universally seen as impediments to outstanding leadership. Jung *et al.* (1995) speculates that transformational leadership is more effective in collectivist cultures than in individualist cultures, being enhanced by the respect for authority and obedience characteristics of collectivist cultures. Further, Jung *et al.* (1995) hypothesizes that high uncertainty avoidance cultures may require more transaction-based leadership, while low uncertainty avoidance cultures will tolerate more innovative, transformational behaviors (Jung *et al.* 1995). Elenkov (1998) argues that since Russian managerial culture is characterized by high power distance and a strong collective mentality, Russian employees

expect an autocratic leadership style, which is offset by the support given to subordinates' families.

Accordingly, we find all the literatures mentioned above are relevant to our research topic, which is to what extent national culture exerts an influence on leadership style, especially transformational and transactional leadership styles. However, among all the theories we have viewed, one of the most widely cited theories addressing the effects of culture on cross-cultural management are developed by Geert Hofstede (1980). As Triandis (1993) notes, through the study of cross-cultural leadership, we may better understand how cultural variables function as parameters of leadership theories. Thus, we choose to use Hofstede's four dimensions of national culture to identify to what extent national culture exerts influence on leadership style.

#### 3.4.1.3. Hofstede's Four Cultural Dimensions of National Culture

Based on a large number of survey data about the values of IBM employees in over 50 countries around the world, Geert Hofstede identified common problems among societies. All these 116000 IBM employees he analyzed were similar in all respects except nationality, which improved the authenticity of influences on nationality differences.

The four basic problem areas defined by Inkeles and Levinson and empirically found by Hofstede (2005, 23) in the IBM data represent four cultural dimensions in the following:

- Social inequality, including the relationship with authority
- ◆ The relationship between the individual and the group
- ◆ Concepts of masculinity and femininity: the social and emotional implications of having been born as a boy or a girl
- ◆ Ways of dealing with uncertainty and ambiguity, which turned out to be related to the control of aggression and the expression of emotions

All the four dimensions mentioned above have been named:

- ♦ Power distance (from small to large)
- ♦ Collectivism versus Individualism,
- ♦ Femininity versus Masculinity,
- ♦ Uncertainty Avoidance (from weak to strong).

*Power Distance* can be defined as the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally (Hofstede, 2005, 46).

Collectivism versus Individualism means the degree to which individuals are inte-grated into groups. On the *individualist* side we find societies in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family. On the collectivist side, we find societies in which people from birth onwards are integrated into strong, cohesive in-groups. Moreover, in collectivist society, the interests of the group prevail over the interests of the individual. The issue addressed by this dimension is an extremely fundamental one, regarding all societies in the world.

Masculinity versus Femininity refers to the distribution of roles between the genders which is another fundamental issue for any society to which a range of solutions are found. A society is called masculine when emotional gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success, whereas when are supposed to be modest, tender, and concerned with the quality of life. On the other hand, a society is called feminine when emotional gender roles overlap: both men and women are supposed to be modest, tender, and concerned with the quality of life (Hofstede, 2005, 120).

Concerning masculinity versus femininity issue, there are two levels of analysis. Firstly, if we try to compare individuals within societies, the individual can be both masculine and feminine at the same time. This means even if she is a woman, she may be assertive and tough just like a man supposed to be. Secondly, if we try to compare the cultures of entire societies, then the national culture may be either predominantly masculine or predominantly feminine. Since China and Sweden are our basic research objects, we choose to use second level of analysis: comparing the cultures of entire societies.

*Uncertainty Avoidance* can be defined as the extent to which the members of a culture feel threatened by ambiguous or unknown situations. This feeling is, among other things, expressed through nervous stress and in a need for predictability: a need for written and unwritten rules (Hofstede, 2005, 167).

# 3.4.2. Hofstede's Four Cultural Dimensions VS. Leadership Styles

# 3.4.2.1. Power Distance VS. Leadership Styles

According to Hofstede's view of power distance in workplace, there are big differences between countries with small power distance and large power distance. Key differences are described in the following in the Figure 3.2:

Figure 3.2. Key Differences between Small Power Distance and Large Power Distance Countries in Terms of Leadership styles

Small Power Distance	Large Power Distance
Decentralization is popular.	Centralization is popular
There are fewer supervisory personnel.	There are more supervisory personnel.
Subordinates expect to be consulted.	Subordinates expect to be told what to do.
The ideal boss is a resourceful democrat	The ideal boss is a benevolent autocrat, or "good father."
Managers rely on their own experience on subordinates.	Managers rely on superiors and on formal rules.
Subordinate-superior relations are pragmatic.	Subordinate-superior relations are emotional
Hierarchy in organizations means an inequality of roles, established for convenience.	Hierarchy in organizations reflects existential inequality between higher and lower levels

Source: Cultures and Organizations: Software of the Mind, Geet Hofstede & Gert Jan Hofstede, 2001

# 3.4.2.2. Collectivism/Individualism VS. Leadership Styles

According to Hofstede's view of collectivism versus individualism in workplace, key differences in leadership style between collectivist countries and individualist countries are described in the following in Figure 3.3:

Figure 3.3 Key Differences between Collectivist and Individualist Countries in Terms of Leadership Styles

Collectivism	Individualism		
Direct appraisal of subordinates spoils harmony.	Management training teaches the honest sharing of feelings		
Relationship prevails over task. Relationship-oriented.	Task prevails over relationship.  Task-oriented		
Hiring and promotion decisions take an employee's in-group into account.	Hiring and promotion decisions are supposed to be based on skills and rules only.		
Employees are members of in-groups who will pursue their in-group's interests.	Employees are "economic men" who will pursue the employer's interest if it coincides with their self-interest		
The employer-employee relationship is basically moral, like a family link. Pay more attention on employee's development	The employer-employee relationship is a contract between parties on a labour market.		

Source: Cultures and Organizations: Software of the Mind, Geet Hofstede & Gert Jan Hofstede, 2001

## 3.4.2.3. Femininity/ Masculinity VS. Leadership Styles

According to Hofsted's view of masculinity versus femininity in workplace, there exist some differences between masculinity countries and femininity countries. Key differences are described in the following in the Figure 3.4:

Figure 3.4 Key Differences between Feminine countries and Masculine countries in Terms of Leadership Styles

Femininity	Masculinity	
Managers tend to intuition and consensus.	Mangers tend to decisive and aggressive	
Careers are optional for both genders.	Careers are compulsory for men, optional for women.	
Humanization of work by contact and cooperation.	Humanization of work by job content enrichment.	
Resolution of conflicts by compromise and negotiation	Resolution of conflicts by letting the strongest win.	
Managers more likely to reward people on the basis of equality, according to employee's competency and skills	Managers stress results and try to reward on the basis of equity	

Sources: Cultures and Organizations: Software of the Mind, Geet Hofstede & Gert Jan Hofstede, 2001

## 3.4.2.4. Uncertainty Avoidance VS. Leadership Styles

According to Hofstede's view of uncertainty avoidance in workplace, some differences between countries with weak uncertainty avoidance and strong uncertainty avoidance are described in the Figure 3.5:

Figure 3.5 Key Differences between Weak Uncertainty Avoidance and Strong Uncertainty Avoidance Countries in Terms of Leadership Style

Weak Uncertainty Avoidance	Strong Uncertainty Avoidance		
Focus on decision process.	Focus on decision content.		
Belief in generalists and common sense.	Belief in experts and technical solutions.		
More changes of employer, shorter service.	Fewer changes of employer, longer service.		
There are fewer self-employed people.	There are more self-employed people.		
Better at invention, worse at implementation.	Worse at invention, better at implementation.		
There is tolerance for ambiguity and chaos.	There is a need for precision and formalization.		
Top managers are concerned with strategy.	Top managers are concerned with daily operations.		
There should be no more rules than strictly necessary.	There is an emotional need for rules, even if there will not work.		
Motivation by achievement and esteem or belonging.	Motivation by security and esteem or belonging.		

Source: Cultures and Organizations: Software of the Mind, Geet Hofstede & Gert Jan Hofstede, 2001

# 3.4.2.5. Summary

Key differences of four cultural dimensions in leadership style are presented in Figure 3.6 in the following:

Figure 3.6 The key Characteristics of Four Cultural Dimensions

National-	Cultural	Characteristics of Cultural Dimensions
Dimen	sions	in Leadership styles
Power	Large Power Distance	<ul> <li>♦ The ideal boss is a benevolent autocrat, or "good father"</li> <li>♦ Centralization is popular</li> <li>♦ Subordinates expect to be told what to do</li> <li>♦ subordinates and superiors consider each other as existentially unequal</li> </ul>
Distance	Small Power Distance	<ul> <li>♦ The ideal boss is a resourceful democrat.</li> <li>♦ Decentralization is popular.</li> <li>♦ Subordinates expect to be consulted.</li> <li>♦ Superiors and subordinates consider each other as existentially equal.</li> </ul>
Collectivism Versus	Collectivism	<ul> <li>✦ Heavy reliance on informal controls</li> <li>✦ Relationship prevails over task.</li> <li>Relationship-oriented</li> <li>✦ The employer-employee relationship is basically moral, like a family link</li> </ul>
Individualism	Individualism	<ul> <li>♦ Heavy reliance on formal controls</li> <li>♦ Task prevails over relationship.</li> <li>Task-oriented</li> <li>♦ The employer-employee relationship is a contract between parties on a labour market.</li> </ul>
Masculinity  Versus  Femininity	Masculinity	<ul> <li>♦ Mangers tend to decisive and aggressive in decision-making process</li> <li>♦ Managers are stress results and try to reward in on the basis of employee's performance</li> <li>♦ A humanized job should give more opportunities for recognition, advancement and challenge.</li> </ul>

	♦ Managers tend to intuition and consensus In
	decision-making process
	♦ Managers more likely to reward people on the
Femininity	basis of equalitythat is, to everyone
	according to need.
	→ Humanization of work by contact and
	cooperation.
	♦ There is an emotional need for rules, even if
	these will not work.
Strong	♦ There is a need for precision and formalization.
v	♦ Managers try to avoid uncertainty and ambiguity,
	and they dislike deviant ideas and behaviors.
	♦ Managers more easily accept the uncertainty
	inherent.
Weak	♦ They are more flexible, and encourage
	innovation and creation.
	Strong

Source: Cultures and Organizations: Software of the Mind, Geet Hofstede & Gert Jan Hofstede, 2001

# 3.4.3. Hofstede's Four Cultural Dimensions Index of China and Sweden

#### The Power Distance Index (PDI)

Hofstede's research shows the score of PDI in China is 80, which ranks 12-14. When it comes to Sweden, it gets 31 scores, which ranks 67-68 among the 74 countries. Thus, it is obvious that PDI in china is rather high, while in Sweden is rather low.

#### The Individualism/Collectivism Index

Concerning China, it scores only 20, while Sweden gets 71 scores, whose rank among 74 countries and regions is 13-14. Thus, it is obvious that China is typically collectivism country, and Sweden belongs to individualism country.

#### The Masculinity/Femininity Index

Scores are put into a range from about 0 for the most feminine to about 100 for the most masculine country. Regarding China, it scores 66, which ranks 11-13 among 74 countries. However, Sweden gets only 5 scores, whose rank among 74 countries and regions is 74. Thus,

Hofstede's view of masculinity value in China is high, and Sweden belongs to femininity country.

The Uncertainty Avoidance Index

With regard to China, it scores 30, which is almost the same as Sweden, whose score is 29. Thus, both China and Sweden have relatively low uncertainty avoidance in this experiment.

# **Chapter 4 Discussion of the PWP Model**

An explanatory model of our own is created, with the purpose to explain the influence of gender and culture on leadership styles of SMEs in China and Sweden. Finally, ten hypotheses developed from the theories are put forth.

#### 4.1. Introduction

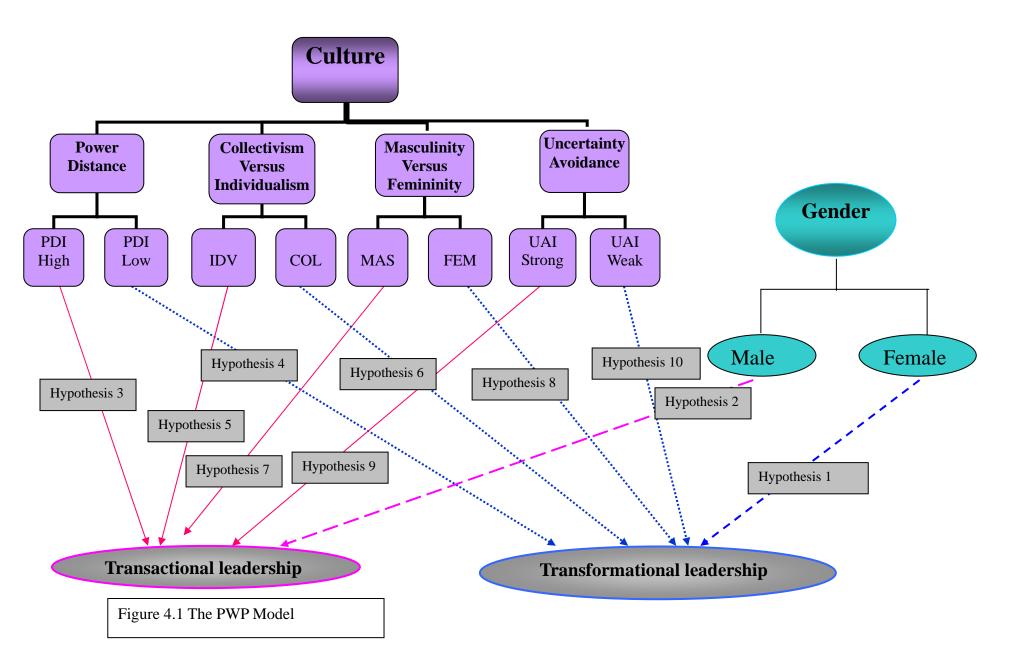
Based on our theoretical study, we found that few studies have been done a relation analysis of the three factors: leadership styles, gender and culture. Therefore, we try to develop our own model with the aim to find out the influence of gender and culture on leadership styles, namely, transformational leadership style and transactional leadership style.

Furthermore, our research target is placed within the background of SMEs. The leadership styles of the entrepreneurs may be different from their counterparts in the MNEs (Multinational Enterprises). They may approach risk and establish relationship with the employees in a particular different way. SMEs seem more flexible to adapt themselves to the changing environment than the larger ones. Especially after we enter the new century, they have become the focus of business interest. But there is a lack of literature concerning the leadership style of managers in SMEs, especially the cross-cultural and cross-gender comparison connected with transformational and transactional leadership. Therefore, it is of interest for us to build our model placed in the SMEs background.

## **4.2. Explanation for the PWP Model**

We have created our own model named PWP Model, which is an acronym of the three authors of this dissertation, namely, Pan Xiaoxia, Wu Jing, Pan Xiaoxia. The aim of the model is to explain and evaluate the influence of gender and culture on transformational and transactional leadership styles. We mainly base the model on one core factor and two explanatory factors. The core factor is related to transformational leadership and transactional leadership. The two explanatory factors are gender and culture. First, we classify the gender factor into two parts, male and female. Second, when it comes to culture factor, we base it on Hofstede's Cultural Dimensions. which refer to: power individualism/collectivism, masculinity/femininity and uncertainty avoidance. Last but not least, the most essential issue of our model lies in the correlation between the core factor and the two explanatory factors.

The PWP Model is presented as below:



We aim to generalize the model in different cultural contexts besides China and Sweden. For instance, if we put specific results of two explanatory factors in the model, say, gender and culture, then we can help our readers to get a general idea about what kind of leadership style his or her company adopts.

For bettering explain our model, the hypotheses are introduced in the following.

## 4.3. Hypotheses

## 4.3.1. Hypotheses of Influence of Gender on Leadership Styles

Even though the vast body of past research concludes that gender differences in leadership style do not exist, more recent investigations suggest that there are differences in leadership styles employed by males and females. Some researchers argue that the evidence of differences is not conclusive (Loden, 1985; Grant, 1988; Rosener, 1990; Bass, 1996).

Considering the characteristics of the research background (SME) we are going to investigate, it may be easier for female leaders in SMEs to break the glass ceiling which is a normal phenomenon in MNEs. Female leaders will be probably prone to bring forth their feminine traits in their leadership style. The differences between transformational and transactional leadership style from the gender perspective might be more obvious and clear.

After presenting the literature in chapter 3, we find that Bass' findings are most useful for our dissertation. So we will base our assumption on Bass' gender comparison of transformational and transactional leadership and try to find out whether our survey conducting in China and Sweden resemble Bass' finding. Thereby, we posited the following hypotheses:

H1: Female leaders tend to be more transformational than male counterparts in the SMEs of China and Sweden.

*H2*: Male leaders are prone to be more transactional than their female counterparts in the SMEs of China and Sweden.

#### 4.3.2. Hypotheses of Influence of Four Cultural Dimensions on Leadership Styles

Based on Hofstede's theories, we summarized key characteristics of the four cultural dimensions in terms of leadership styles in table 8. We found that there were some connections between the four cultural dimensions and transformational and transactional leadership style. More details about our hypotheses with respect to the influences of four cultural Dimensions on leadership style are explained below:

#### Large Power Distance

In a large power distance situation, superiors and subordinates consider each other as unequal. Organizations centralize power as much as possible in a few hands. Subordinates expect to be told what to do (Hofstede, 2005). According to the characteristics of transactional leadership identified in previous chapter, transactional leaders seldom give their subordinates personal attention and advices. Besides, their subordinates expect to be told what to do. Based on the factors above, we can see that some characteristics of large power-distance in terms of leadership style share similarities with those of transactional leadership style. Thus, we posited our hypothesis 3 in the following:

H3: Managers in countries with high power distance tend to employ a more transactional leadership.

#### Small Power Distance

In a small power-distance situation, subordinates and superiors consider each other as equal. The ideal boss is a resourceful democrat (Hofstede, 2005). Superiors pay more attention to how to intellectually stimulate the followers' use of their abilities, and their subordinates expect to be consulted. Transformational leaders care more about their subordinates' advices, and they give their subordinates adequate rights to take part in decision-making process. Then we can see that some characteristics of small power-distance in terms of leadership style share similarities with those of transformational leadership style. Thus, we posited our hypothesis 4 in the following:

*H4:* Managers in countries with small power distance tend to employ a more transformational leadership.

#### Collectivism

In a collectivist culture, managers stress employees' dependence on the organization. The employer-employee relationship is basically moral, like a family link. Relationship prevails over task (Hofstede, 2005). According to characteristics of transformational leadership identified in previous chapter, transformational leaders pay more attention to the relationship between managers and employees, and they care more about their subordinates. Based on the factors above, we can see that some characteristics of collectivism in terms of leadership style share similarities with those of transformational leadership. Thus, we posited our hypothesis 5 below:

H5: Managers in collectivist countries tend to employ a more transformational leadership.

#### Individualism

In an individualist culture, managers stress the employee's independence from the organization. The employer-employee relationship is a contract between parties on a labour market. Management in an individualist society is management of individuals. Task prevails over relationship. If incentives or bonuses are given, these should be linked to an individual's performance (Hofstede, 2001, 101). Transactional leaders generally reward or discipline the follower depending on the adequacy of the follower's performance. Accordingly, we can see that some characteristics of individualism in terms of leadership style share similarities with those of transactional leadership style. Thus, we posited our hypothesis 6:

*H6*: Managers in individualist countries tend to employ a more transactional leadership.

#### *Masculinity*

In a masculine culture, a humanized job should give more opportunities for recognition, advancement and challenge. Besides, organizations in masculine societies stress results and try to reward it on the basis of employees' performance (Hofstede, 2005). Transactional leaders generally reward their subordinates depending on the adequacy of the follower's performance. Therefore, we can see that some characteristics of masculinity in terms of leadership style share similarities with those of transactional leadership. Thus, we posited our hypotheses 7 below:

H7: Managers in masculine countries tend to employ a more transactional leadership.

#### Femininity

In a feminine culture, a humanized job should give more opportunities for cooperation and social contacts. This means managers in feminine cultures tend to ask their subordinates for advice and give their subordinates adequate rights to take part in decision-making process. Besides, organizations in feminine societies are more likely to reward people on the basis of equality, that is, to everyone according to need (Hofstede, 2005). According to characteristics of transformational leadership identified in the previous chapter, transformational leaders encourage their subordinates to share their ideas with them, and allow them to take part in the decision-making process. Based on these factors mentioned above, we can see that some characteristics of femininity in terms of leadership style share similarities with those of transformational leadership style. Thus, we posited our hypothesis 8:

H8: Managers in feminine countries tend to employ a more transformational leadership.

#### Strong Uncertainty Avoidance

In a strong uncertainty avoidance society, managers try to avoid uncertainty and ambiguity by providing stability for their subordinates, establishing more formal rules. They tend to discard deviant ideas and behaviors. There is a strong need for written rules, formalization, regulations and rituals (Hofstede, 2005). According to characteristics of transactional leadership identified in previous chapter, transactional leaders focus on formal rules, standards, they intervene the idea only if standards are not met. So we can conclude that some characteristics of strong uncertainty avoidance in terms of leadership style share similarities with those of transactional leadership style. Thus, we posited our hypothesis 9:

H9: Managers in strong uncertainty avoidance countries tend to employ a more transactional leadership.

#### Weak Uncertainty Avoidance

In a weak uncertainty avoidance society, managers more easily accept the uncertainty inherent in workplace. Thus, they encourage innovation and creation. Besides, managers in weak uncertainty avoidance cultures are more flexible, and depend not as much on experts as on themselves (Hofstede, 2005). According to characteristics of transformational leadership identified in

previous chapter, transformational leaders encourage others to be creative in looking at old problems in new ways, and create an environment that is tolerant of seemingly extreme positions.

Thus, we can see that some characteristics of weak uncertainty avoidance in terms of leadership style share similarities with those of transformational leadership style. Thus, we posited our hypothesis 10 as following:

*H10:* Managers in weak uncertainty avoidance countries tend to employ a more transformational leadership.

#### 4.4. Conclusion

This study may give some contribution to understanding how to handle management issues in a cross-national context. It is important to understand leadership style in different countries in order to avoid "culture clashes".

# **Chapter 5 Empirical Method**

The empirical method is stated in detail. The chapter starts with a research strategy, which aims to explain or approach in answering the research questions. The chapter concludes with a discussion on the reliability, validity and generalisability of the study.

### **5.1. Research Strategy**

The purpose of this dissertation is to empirically evaluate the different leadership styles of SMEs in China and Sweden and identify the influence of gender and culture on leadership styles. In order to answer our research questions of the dissertation, we formulate ten hypotheses concerning the correlation between gender, culture and leadership. With the aim to test the hypotheses, we decide to do a survey using a questionnaire because it can provide us with an efficient way of collecting responses from a large sample prior to quantitative analysis. Another reason for conducting a questionnaire is that we strive to provide our readers with reliable results by using the statistical analysis software SPSS, whose data should be based on the questionnaire.

We choose to use self-administered questionnaire, to be more specific, an internet-mediated questionnaire. Two main advantages are that it is cheap and convenient to collect enough samples in a short time limitation. Further, it enables us to ensure that the respondent is the manager whom we wish to answer the questions. Only the managers to whom we sent the emails or interviewed personally could access to the website address of our questionnaire. Thus it improves the reliability of the data.

#### **5.2. Sample Selection**

Surveys on managers of SMEs in China and Sweden are conducted to obtain the data necessary for testing our ten hypotheses. We mainly focus our research background on Small and Medium sized companies in China and Sweden. We only delimit our investigation to the import and export companies in China and Sweden in order to avoid possible deviation resulted from different industries. We think that it is easier for us to get replies from the import and export companies because we have many reliable contacts in China

However, due to time constraints, we also collected a few replies from companies which only

focus on either national or international markets. For instance, we visited a female manager of

T&T Information, whose trade is only limited to Sweden. But we think it does not matter since

the companies are typical Swedish SMEs.

The procedure of our data collection is presented below:

Firstly, we chose a neutral time, that is, Tuesday (Nov. 7, 2006), to send out all the emails to our

contacts. The responses from China should be reliable since we sent the questionnaire directly to

the managers whom we already know or whom are the managers of our friends.

Secondly, we found a professional company catalogue website www.lokaldelen.se with the

email addresses of the Swedish companies, especially import and export trading companies all

over Sweden. A cover letter was sent to the participants to clarify our intent, research topic,

introduction and confidentiality. They were asked to use a link in the email, which led to the

website of our questionnaire: http://www.octosoft.cn/q/ECQuestionnaire.aspx. Their answers

could be then obtained from our admin portal: http://www.octosoft.cn/q/login.aspx. In order to

get a high response rate, we not only contacted companies via email, but also visited the

companies around the city of Kristianstad, and even demanded a face-to-face opportunity to talk

with the managers in order to invite them to answer our questionnaires.

5.3. Questionnaire Design

The questionnaire consists of three parts: background information, leadership styles and cultural

dimensions (See Appendix 1a).

5.3.1. Questions Concerning Background Information

Five general questions were formulated in order to get some information about respondents,

including their gender, nationalities, ages, positions and the size of companies. The questions are

showed in the following:

Q1: Are you a female or a male?

Q2: What's your nationality?

Q3: How old are you?

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Q4: What's your position at the company?

Q5: How many employees in your company?

## 5.3.2. Questions Concerning Leadership Styles

There were 24 questions concerning leadership styles in the questionnaire.

This part of questionnaire was based on a modified version of the Multi-Factor Leadership Questionnaire (MLQ) developed by Bass and Avolio (1998). The MLQ is a well-known instrument used to measure perceived frequency of transformational and transactional leadership behavior. It has been used in many studies (Bass, 1995; Bass, Avolio, Jung & Berson, 2003; Carless, 1998; Den Hartog, Van Muijen& Koopman, 1997). It was designed to collect information about a manager's leadership style from multiple sources: the manager herself/himself; the manager's subordinates, the manager's superiors, and the managers' peers. The questionnaires were not delivered to their subordinates or superiors in our research because of practical consideration. Supposing that we involve at least three co-workers to evaluate each manager, it would be very difficult and costly for us to collect such a big research sample in a very limited time scale. But we must keep in mind that a manager's perceived leadership style may be different from actual leadership style as managers might tend to rate themselves as more competent than others rate them.

As for our own questionnaire, the MLQ was modified. The reason for modification was, on the one hand, due to the difficulty to find the whole copy of MLQ because it is a license-imposed patent. We could only find part of the questions. On the other hand, the English language in the questions is somewhat obscure. In order to make sure that our participants can fully understand the questions, we reexamined the questions word by word and changed the recondite vocabularies to simpler ones. In addition, the original MLQ use a five-point rating scale from 1 to 5, which was changed to a range from zero to six. The reason was that we try to reduce the possibility of choosing neutral answers by respondents. Besides, the seven-point is much easier for us to examine and analyze different choices leading to different results. The number 0-6 stands for scores, by which the participant can show the extent of his agreement to all the statements. 0 point stands for totally disagree. On the contrary, 6 points is the highest score of the answer which means totally agree.

In our questionnaire, the transformational leadership style consists of five dimensions, including 15 questions. Each dimension is followed by three questions. The five dimensions include *Idealized Influence*, *Inspirational Motivation*, *Intellectual Stimulation*, *Individualized Consideration*, and *Risk Acceptance*. The index of *Risk Acceptance* is added since we find that transformational leaders tend to accept risk more positively and view risk as opportunity rather than threat. The dimension aims to test to what extent manager is willing to accept risk when choosing among alternative courses of action.

The specific questions are showed in the following:

Transformational Leadership Style

Idealized Influence

Q6: I make others feel good to work with me.

Q14: Others are proud to be associated with me.

Q22: I talk about my most important values and beliefs to my employees.

#### Inspirational Motivation

Q7: I encourage employees to make the most of their real skills and capacities to their jobs.

Q15: I help others find meaning in their work.

Q23: I articulate a compelling vision for the future.

## Intellectual Stimulation

Q8: I enable others to think about old problems in new ways.

Q16: I provide others with new ways of looking at puzzling things.

Q24: I get others to rethink ideas that they had never questioned before.

#### Individualized Consideration

Q9: I let others know how I think they are doing.

Q17: I give personal attention to others who seem rejected.

Q25: I give careful attention to the working conditions of my employees.

#### Risk Acceptance

Q10: I think making risky decisions alone does not bother me.

Q18: I think intuition is the best guide in making decisions.

Q26: I make quick decisions when necessary.

## Transactional Leadership Style

#### Contingent Reward

Q11: I tell others what to do if they want to be rewarded for their work.

Q19: I provide recognition/rewards when others reach their goals.

Q27: I clearly clarify the responsibility for achieving targets.

#### Management-By-Exception

Q12: I am satisfied when others meet agreed-upon standards.

Q20: As long as things are working, I do not try to change anything.

Q28: I tell others the standards they have to know to carry out their work.

#### Laissez-Faire Leadership

Q13: I am content to let others continue working in the same way as always.

Q21: Whatever others want to do is O.K. with me.

Q29: I don't care much what others do unless the work is absolutely essential.

## 5.3. 3. Questions Concerning Cultural Dimensions

16 questions concerning cultural dimensions were presented. They were based on Hofstede's Theory of Cultural Dimensions. Since Hofstede did his research only in a multinational company IBM early in the 1970s. His conclusion may not be held true under the current cultural contexts. Especially for the Chinese part, it might be more applicable to Chinese state-owned companies, but not SMEs. The values and ideas hold by the entrepreneurs in SMEs might be quite different from those of the managers in the Stated-Owned Enterprises after China's reform and opening up in 1978. Therefore, we want to test whether the result of our research consistent with Hofstede's conclusion.

The four dimensions of Hofstede's theory are *Power Distance*, *Uncertainty Avoidance*, *Individualism/Collectivism*, and *Masculinity/Femininity*. Each dimension is followed by four questions. All the questions aim to test whether there is any cultural difference between China

and Sweden. The answers in the cultural dimension part were of two different kinds; one where the participants could choose between two different options marked 0 and 1, and the other type is a Likert-Style rating scale, the same as the leadership style part did.

The questions in this part are showed in the following:

#### Power Distance

Q30: I am entitled to privileges compared to my subordinates.

Q34: There is a wide salary range between the top and bottom of the organization.

Q38: I think my subordinates should only follow my order without knowing why it should be done.

Q42: I think that my subordinates are afraid to disagree with me, even if they have better ideas.

### Uncertainty Avoidance

Q31: I think company rules should not be broken even when the employee thinks his decision is within the company's best interests.

Q35: It is important to be on time to business appointments.

Q39: I only consider written contracts to be binding.

Q43: In my organization, change is viewed as a threat.

#### Individualism/Collectivism

Q32: Once given tasks, I prefer to work: individually or in a group?

Q36: In my workplace, I consider myself to have close family like bonds with my subordinates.

Q40: I consider \_\_\_\_\_ to be most important: individual achievements or group performance?

Q44: When it comes to decision making, I prefer: a single leader or group consensus?

## Masculinity/Femininity

Q33: What is more important about the job: a high salary or feeling satisfied.

Q37: What is more important: a better position or employment security?

Q41: I tend to put more emphasis on: work goals or personal goals?

(Note: work goals refer to earnings, advancement; while personal goals refer to friendly, getting along well with your subordinates.)

Q45: I prefer to solve the conflict though: negotiation and compromise or confrontation and

argument?

#### 5.3.4. Summary

Last but not least, all the questions are intermixed in the questionnaire in order to avoid the same answer pattern. All the 45 questions in the questionnaire are required to be completely filled. The result can only be submitted when all the questions are done. Otherwise, the website system will remind respondents of the missing questions.

Before the large scale research, a pilot research was carried out to identify any potential problem with the questionnaire used in our research. We chose both a Chinese manager and a Swedish manager to take a look at our questionnaire and make sure that there wasn't any misunderstanding both in our questions and answers. They said the questions in the questionnaire were too many. Nevertheless, we think 45 questions are necessary in order to do our research.

### **5.4. Response Rate**

A total of 825 emails have been sent out to Swedish managers of export and import trading companies. 66 were returned due to wrong email addresses or mailbox delivery mistakes. The total replies from Sweden were 45, indicating the response rate of 6%. In contrast, 62 replies of 68 were mainly obtained by personal contacts from our friends' companies in China, leading to the response rate above 90%.

All in all, 107 firms of 827 participated in our research, resulting in an active response rate 13%. Among all the 107 responses, 17 samples were invalid due to the non-requirements of our purpose. Thus, the combined samples of 90 participants are available for analysis.

#### 5.5. Credibility

Credibility is a crucial factor to a good research. It is very important to reduce the possibility of getting the wrong answer, which means that attention has to be paid to both: reliability and validity. (Saunders, Lewis & Thornhill, 2007) In this dissertation, we try our best to write in a way that minimizes the threats to reliability and validity.

#### 5.5.1. Reliability

Generally speaking, there are two kinds of threats to the reliability.

"Reliability refers to consistency, stability, or the repeatability of results" (Christiansen, 2004, 182).

In other words, the reliability of the data is about the extent to which the measures will yield the same results on other settings and if the similar results will be reached by other researches. That is, the reliability is high if the results are the same findings each time by testing. (Saunder, Lewis & Thornhill, 2007).

We conduct a method of questionnaire about leadership style, gender, and culture. And we believe that a reliable questionnaire should give the same results on other occasions and different observers should reach similar observations. In this dissertation, we regard our research and the questionnaire as high reliability by avoiding the four threats presented by Saunder et al. The first threat is the participant error. Considering that the result may vary depending on when the questionnaire is conducted, we managed to send out all the emails within our contacts in a neutral time in order to reduce participant error. For instance, we chose Tuesday to send out the emails. The respondents probably received our questionnaire on Wednesday, but both Wednesday and Thursday are neutral times. The second threat would be participant bias, which means that the respondents do not answer truthfully. This factor is rather difficult to avoid, but the way of anonymity to the respondents not only enhance the chances of the respondents to answer the questionnaire, but also increased the reliability of the questionnaire. The third threat is observer error. Of course, the three authors of this dissertation have different opinions on the design of our questionnaire. However, the questionnaire is mostly based on standardized questions used by the MLQ. Besides, we communicate quite a lot and choose the most scientific and convincing arguments. Last but not least, it is important that the researchers are objective when they draw conclusions from the data. Otherwise, the research will result in observer bias. Undoubtedly, we try our best to be objective by not allowing our expectation to influence the questionnaire replies.

However, due to limited resources, including time and finance, we have not been able to test the questionnaire more than once.

#### 5.5.2. Validity

Validity is concerned with whether the findings are really about what they appear to be about (Saunders et al. 2007, 150). Validity examines if the relationship between different variables is casual relationship. Without doubt, a good research is characterized by high validity. However, a researcher can never be entirely certain that the questions will measure what he intended, since

there will always be a risk of misunderstandings and wrongly formulated questions. Therefore, the questions must be well formulated, relevant and suitable for the research.

Besides, operationalisation is a crucial factor of validity. It should be noted that if the operationalisation fails the result will be misleading. Our questionnaire aims to make something concrete out of the abstract. In our research we have many questions which measure attitudes, which are especially difficult to operationalise into quantifiable variables. However, the questionnaire on which we based has been already widely used and thus guarantees us high extent of validity.

Another threat to validity, which is a matter of concern, is that the setting of the questionnaire answers could have been influencing the result of the research. In our questionnaire, we adopt 7 options to each question, which aims to eliminate the risk of choosing neutral answers by respondents.

## 5.6. Generalisability

Generalisability refers to the extent to which the research result can be generalized to a larger population. Or, it aims to show the applicability of the result and if it can be implemented on other researches in the field (Saunders, Lewis & Thornhill, 2007).

However, to be able to generalize about regularities in human social behaviour it is necessary to select samples of sufficient numerical size (Saunders, 2003, 87). We only conduct research on firms connected to the Small and Medium sized Enterprises in China and Sweden, so it is extremely difficult for us to produce a model that could be generalisable to all populations and organizations. But our model is worthy of testing and criticizing because it has been never presented by any other author before.

# **Chapter 6 Analysis of the Research Survey**

The result of our study is analyzed, the ten hypotheses are tested and evaluated. Finally, the two research questions are answered.

#### 6.1. Introduction

In this chapter, we will present and analyze data based on our online questionnaire. In order to analyze the gender and cultural effect upon leadership style, we calculate cross-cultural and cross-gender data by using the statistical software SPSS.

When giving two data sets, each characterized by its mean, standard deviation and number of data points; we can use some kind of t-test to determine whether the means are distinct, provided that the underlying distributions can be assumed to be normal. In our case, the two variables are independent of each other, so we chose to use an independent t-test with a 95% confidence interval.

If a statistical significance calculated based on two single means is below 0.05, the null hypothesis that the two groups do not differ is rejected in favor of an alternative hypothesis, which typically states that the groups do differ.

Through observing the differences between various mean values and the significance coefficient, we can evaluate the gender differences, cultural differences, and the differences in respect of leadership.

In order to answer the second research question of our dissertation, namely, which element - gender or culture - exerts a more important impact on the leadership style of SMEs in China and Sweden? We have to conduct the correlation method, which indicates the strength and direction of a linear relationship between two variables. If two variables are independent and irrelative, the correlation is 0. The correlation is more important when the correlation is nearer to 1 or -1. Through studying the correlation figure, we can judge the cultural and gender effect upon leadership styles.

## 6.2. Leadership Styles

#### 6.2.1. Result of Survey on Leadership Styles

The fundamental research topic of our dissertation is leadership style of SMEs in China and Sweden. Based on some empirical support, we assumed that Chinese managers tended to adopt a transactional leadership style, while Swedish managers were prone to employ a transformational leadership style.

In order to find out what kind of leadership style Chinese and Swedish managers adopt, we formulated 15 questions to test transformational leadership style and 9 questions to test transactional leadership style.

The two kinds of leadership styles - transformational leadership style and transactional leadership style - were respectively tested by their characteristics. The former has the following characteristics: *Idealized Influence*, *Inspirational Motivation*, *Intellectual Stimulation*, *Individualized Consideration*, and *Risk Acceptance*; whereas, the latter has the characteristics of *Contingent Reward*, *Management-by-Exception*, and *Laissez Faire*. Figure 6.1 and Figure 6.2 respectively show which questions investigate the characteristics of transformational and transactional leadership style.

Figure 6.1: The Questions related to Transformational Leadership Style

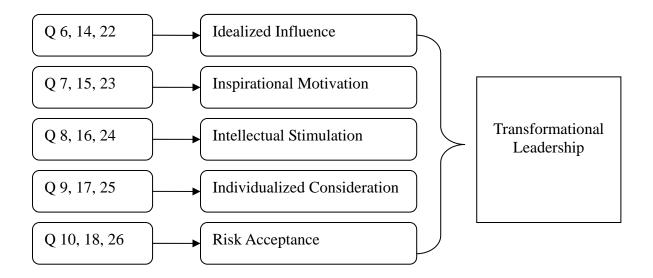
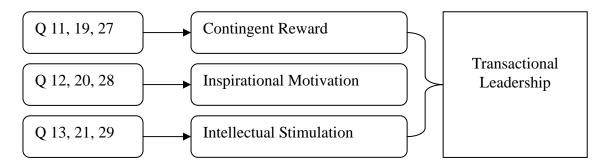


Figure 6.2: The Questions related to Transactional Leadership Style



Based on SPSS Independent - Samples T Test, we analyzed the responses from 46 Chinese managers and 44 Swedish managers (SMEs), finding that both Chinese and Swedish managers tend to be more transformational than transactional. The result was showed by the overall mean value. On the one hand, the overall mean value of transformational leadership of China is 4.23, which is higher than 3.84, the overall mean value of transactional leadership of China. On the other hand, the overall mean value of transformational leadership of Sweden is 4.80, which is also higher than 3.47, the overall mean value of Transactional Leadership of Sweden (Table 6.1 & 6.2). Therefore, both Chinese managers and their Swedish counterparts adopt a transformational leadership style.

Table 6.1: Comparison of Transformational Leadership between China and Sweden (Means and Significance) (See Appendix 2)

Transformational	<b>China</b> (N=46)	Sweden (N=44)	<b>Significance</b> (2-tailed)
Idealized Influence	4,33	4,80	,005
Inspirational Motivation	4,44	5,10	,000
Intellectual Stimulation	4,43	4,79	,040
Individualized Consideration	4,38	5,00	,000
Risk Acceptance	3,57	4,31	,001
Overall	4,23	4,80	,000

Table 6.2: Comparison of Transactional leadership between China and Sweden (Means and Significance) (See Appendix 3)

Transactional	<b>China</b> (N=46)	Sweden (N=44)	<b>Significance</b> (2-tailed)
Contingent Reward	4,22	4,08	,403
Management-by-Exception	3,91	4,14	,265
Laissez Faire	3,38	1,86	,000
Overall	3,84	3,47	,036

However, there are significant differences between Chinese transformational leadership style (Mean=4.23) and Swedish transformational leadership style (Mean=4.80). The result was proved by the overall significance value 0.000, which is below 1%, indicating there are highly significant differences between the tested variables.

Among all the five characteristics of transformational leadership style, *Inspirational Motivation* (Sig.=0.000)and *Individualized Consideration* (Sig.=0.000)are the two biggest differences between China and Sweden. First, the result shows that Swedish managers (IM=5.10) are better than Chinese counterparts (IM=4.44) to encourage employees to make the most of their real skills and capacities to their jobs. Also, Swedish managers do a better job than Chinese ones to help employees find meaning in their work and articulate a compelling vision for the future. Second, the result also indicates that Swedish managers (IC=5.00) are better than Chinese ones (IC=4.38) to let employees know how they think employees are doing. And Sweden managers care much more about employees and their working conditions than Chinese counterparts.

As to *Risk Acceptance* (Sig.=0.001), there is a highly significant difference between China and Sweden too. The result shows that Swedish managers (RA=4.31) tend to be more risk-taking than their Chinese counterparts (RA=3.57). Swedish managers make quicker decisions and feel easier to make risky decisions alone than Chinese managers.

With regard to transactional leadership style, there are also significant differences between Chinese managers (Mean=3.84) and Swedish managers (Mean=3.47). The result was also proved by the overall significant value 0.036, which is below 5%, indicating that there are significant

differences between the two tested variables. The result further shows that Chinese managers are much more reward-minded and rule-minded than their Swedish counterparts. In other words, Chinese managers are much more reluctant to change anything unless the work is absolutely essential.

#### 6.2.2. Comparative Study on Leadership Styles

Comparatively speaking, Chinese managers are prone to be more transactional, whereas Swedish counterparts tend to be more transformational. However, both of them adopt a transformational leadership style, their difference only lies in the degree of transformation. Therefore, we find that the result of leadership style of Swedish managers coincides with our initial assumption, but the result of the Chinese part is just opposite to the assumption. In the following, the possible reasons are presented.

Why do both Chinese managers and Swedish managers tend to be more transformational than transactional?

First of all, the reason might be related to the design of the questionnaire to test transformational and transactional leadership style. On the one hand, the MLQ was originally designed to test a manager's leadership style from multiple sources. However, we only tested the managers' self-rating, which could be somewhat subjective without being tested by the feedbacks of their superiors, peers, and employees. On the other hand, the questionnaire was formulated and developed in the US by Bass- an American researcher. It was deemed to be an effective measurement of leadership styles by American managers in American culture. But it is questionable whether it applies to other countries, such as China and Sweden. As such, MLQ may not be able to detect many of the differences in leadership styles that exist among respondents in these two countries. Last but not least, the questions based on the MLQ are somewhat emotional attitude questions. More specifically, the questions related to transformational leadership style are much more positive than the questions related to transactional leadership style. Therefore, it might be leading to unfaithful answers.

Second, the reason might be concerned with the age-level of respondents. Our result shows that the majority of Chinese respondents are under 30 years old, but the majority of Swedish participants are above 40 or 50 years old.

Table 6.3: The Age-Level of Chinese Participants (See Appendix 4b)

	China	Frequency	Percent	Valid	Cumulative
				Percent	Percent
	up to 30 years old	36	78.3	78.3	78.3
	31- 40 years old	7	15.2	15.2	93.5
Valid	31- 40 years old 41-55 years old	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

Table 6.4: The Age-Level of Swedish Participants

	Sweden	E	Danaant	Valid	Cumulative
Sweden		Frequency	Percent	Percent	Percent
	up to 30 years old	2	4.5	4.5	4.5
	31- 40 years old	12	27.3	27.3	31.8
Valid	41-55 years old	15	34.1	34.1	65.9
	56 years and older	15	34.1	34.1	100.0
	Total	44	100.0	100.0	

Table 6.3 shows that the Chinese samples engaged in our study are characterized by young managers (78.3%). We perceive that these young managers would probably employ a more transformational leadership style than their older generations. These younger Chinese managers were born and brought up after China's reform and opening up since 1978. Most of them would be probably more educated, more ambitious and more open-minded than the older generations. Besides, they are less influenced by traditional Chinese culture, for instance, the younger managers might be more individualistic, and their view of power distance might be much slighter. More importantly, the rapid globalization and the increasing interdependence of the world's economy require more flexible leadership styles. Therefore, it is rather necessary for managers to employ a more efficient and effective leadership style in order to be competitive. In this sense, the younger managers might be more adaptable to competitive environment than the older generations. Thus it is easier for them to adopt a transformational leadership style than their older counterparts.

Table 6.4 indicates Swedish respondents engaged in our questionnaire are mainly middle-aged managers. We perceive this middle-aged level as typical representatives of their national culture. Judging from the result of our study, Swedish managers use a transformational leadership style, which is in line with our previous expectation. That is to say, Swedish managers display a transformational leadership style when they stimulate their subordinates to move beyond their own self-interests and work toward the interest of the group/organization as a whole. They mentor and develop their subordinates, both on a professional and personal level. They challenge their subordinates to do their best, and provide them with meaning and vision.

Third, the possible reason could be also related to the industry and the size of companies which we investigated and selected.

Table 6.5: The Size of Chinese Companies (See Appendix 5b)

	China		Dancont	Valid	Cumulative
Cilina		Frequency	Percent	Percent	Percent
	less than 20	14	30.4	30.4	30.4
	20-99	9	19.6	19.6	50.0
Valid	100-199	10	21.7	21.7	71.7
v anu	200-1000	9	19.6	19.6	91.3
	more than 1000	4	8.7	8.7	100.0
	Total	46	100.0	100.0	

Table 6.6: The Size of Swedish Companies (See Appendix 5c)

-	Sweden	Frequency	Percent	Valid	Cumulative
	Sweden		reicent	Percent	Percent
	less than 20	30	68.2	68.2	68.2
	20-99	7	15.9	15.9	84.1
Valid	100-199	2	4.5	4.5	88.6
	200-1000	4	9.1	9.1	97.7
	more than 1000	1	2.3	2.3	100.0
	Total	44	100.0	100.0	

The samples engaged in our research are mainly import and export companies, most of which belong to SMEs (See Table 6.5 & 6.6). Those managers within this business field are more exposed to international market. Since the homogeneity of the selected sample, the managers' behaviour and thinking might be alike. It is probably more dissimilar in the case of a broader sample of managers from bigger companies within other industries.

#### *6.2.3. Summary*

All in all, our research shows one key finding that Chinese managers of SMEs and their Swedish counterparts somewhat share the similarity in leadership style, that is to say, both of the two parties are prone to be transformational. The research further suggests that there may be some leadership behaviors that are universally endorsed among SMEs within the import and export industry. Statistically speaking, the respondents from the two countries engage in visionary, inspirational, intellectual, considerable and risk-taking leadership behaviors with equal frequency. All these behaviors are components of transformational leadership style. Although our study did not examine the impact of various leadership style practices on performance, it has shown that leaders from different countries use many leadership practices in similar ways and with similar frequency. This at least implicitly suggests that they view these practices as effective.

#### **6.3.** The Influence of Gender on Leadership Styles

## 6. 3.1 Result of Gender Influence on Leadership Styles

Table 6.7 Comparison of Transformational leadership between Males and Females (Means and Significances) (See Appendix 6)

Transformational	<b>Males</b> (N=55)	Females (N=35)	<b>Significance</b> (2-tailed)
Idealized Influence	4,61	4,50	,523
Inspirational Motivation	4,83	4,66	,329
Intellectual Stimulation	4,70	4,45	,157
Individualized Consideration	4,65	5,00	,000
Risk Acceptance	3,91	3,97	,783
Overall	4,54	4,46	,570

Table 6.8: Comparison of Transactional leadership between Males and Females (Means and Significances) (See Appendix 7)

Transactional	<b>Males</b> (N=55)	Females (N=35)	<b>Significance</b> (2-tailed)
Contingent Reward	4,30	4,33	,894
Management-by-Exception	3,99	4,08	,658
Laissez Faire	2,43	2,21	,117
Overall	3,57	3,79	,235

In an independent t-test, we tend to assess whether the self-reported leadership styles of female managers differ from those of male managers. The results of these two hypotheses are shown in table 6.7 and table 6.8. The finding suggests that the leadership style emphasized most by both male and female managers is transformational leadership style. For the male samples, the overall mean value of transformational leadership is 4.54, and the female participants have the score of 4.46 in transformational part. Correspondingly, both female and male managers scored lower on transactional leadership style with the mean value of 3.57 and 3.79. The rank order of leadership styles are the same for both male and female managers across countries.

#### 6.3.2 Answers to Hypothesis 1 and Hypothesis 2

The first two hypotheses on the gender and leadership style were:

H1: Female leaders tend to be more transformational than male counterparts in the SMEs of China and Sweden.

*H2*: Male leaders are prone to be more transactional than their female counterparts in the SMEs of China and Sweden.

Contrary to our assumption, there are no significant differences in the frequency of male and female managers' exhibition of transformational and transactional leadership styles. This is proved by the overall significance value 0.570 and 0.235. Both figures are above 0.01, which means that the difference between male and female samples is non-significant. The particular gender effect upon leadership style we supposed previously does not actually exist according to

our results. Therefore, the first two hypotheses are rejected.

In response to this point, one consideration may be that differences in the behaviours of men and women who occupy the same or similar leadership role are expected to be small because these behaviors reflect the dual influence of gender roles, which differ for men and women, and organizational roles, which do not differ. (Eagly et al., 2000) Thus, knowing that a particular individual is female or male would not be a reliable indicator of that person's leadership style.

# 6.3.3. Comparative Study by Gender

Although the result shows that there is non-significant difference in leadership styles between males and females, we still can find the comparative dissimilarity. When we compare the total mean values between men and women, there is an unexpected tendency that is not in line with previous researches on gender and leadership. The former researchers suggested that female leaders use transformational leadership more often than male leaders (Eagly & Johnson, 1990; Bass, *et al.*1998). It is very surprising for us to find that male managers scored higher than female managers on overall transformational leadership (4.54 VS. 4.46), and they scored lower than their female counterparts on overall transactional leadership (3.57 VS. 3.79).

A possible explanation for this result is that we only surveyed the managers themselves. According to Bass (1998), women often rated themselves as significantly lower in transformational leadership than the subordinates rated them, while men's self-ratings tended to be more similar to those of their evaluators.

With regard to transformational leadership, male and female managers engage in *Idealized Influence, Inspirational Motivation, Individualized Consideration* and *Risk Acceptance* behaviours with similar frequency. As for the transactional leadership, they engage in *Management-by-Exception* and *Contingent Reward* to the same degree. When we go deeper into the subcomponents of the transformational and transactional leadership one item after the other, we find that there are certain but slight differences in specific items.

Among all the five characteristics of transformational leadership style, *Intellectual Stimulation* (Sig.=0.157) are the biggest differences between male and female managers. The result shows that male managers (IS=4.70) are better than female managers (IS=4.45) to encourage followers

to be creative in problem solving and to question basic assumptions. We argue that the result is consistent with men's inherent characteristic which is prone to be more innovative than women. Male managers may also urge their followers to continuously search for new and better methods of doing things.

Among the five subcomponents of the transformational leadership, all but two behaviours does not lean in the same direction as the overall tendency, namely, *Individualized Consideration* and *Risk Acceptance*. Female managers exceed males in these two behaviours even though all the scores of the other three behaviors and the overall transformational leadership style are lower. This accord with earlier research stating that women are relationship-oriented and men are task-oriented (Yukl, 1989, 75). Female managers spend significant amount of time in enhancing the long-term relationship with their subordinates and their colleagues. They are sensitive, warm, tactful and expressive (Olssson and Walker, 2003; Van Engen et al., 2001). It is no wonder that female managers get higher score on *Individualized Consideration*.

However, it is hard to explain why the female samples in our search tend to accept risk more positively. The result is opposite to our stereotype that males should be more adventurous and courageous than females. A possible reason may lie in the design of the questions. Take Question 18 for example: *I think intuition is the best guide in making decisions*. Since females are more emotional other than rational, they may make quicker decisions, and guide their decisions through intuition more frequently than males.

However, male managers (LF=2.43) engage in *Laissez Faire* leadership more often than females (LF=2.21). This implies that male managers have the greater tendency to let others do their own thing and be content to let things ride.

#### *6.3.4. Summary*

This is an unexpected result according to our pervious assumption. At the beginning we thought that female leaders would be probably prone to bring forth their feminine traits in their leadership style and the differences of transactional and transformational leadership style from the gender perspective would be more obvious and clear. The result of our study contradicts our hypotheses.

Since the differences between male and female managers are not statistically significant in our result, it supports for some researches that emphasize both men and women in management have at least equal claim to transformational leadership. They stated that transformational leadership, behaving in ways that bring out the best in individuals and organizations, may be a more androgynous style, calling for the best in both male and female sex-typed behavior (Hackman et al.,1992; Book, 2000).

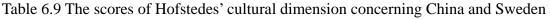
However, the bias of our questionnaire itself can not be neglected. In our study we only surveyed the leaders themselves. We are not sure whether the result would be the same if we conducted our survey in a broader field and involved more participants. And the disproportion of male and female participants may also result in some deviations.

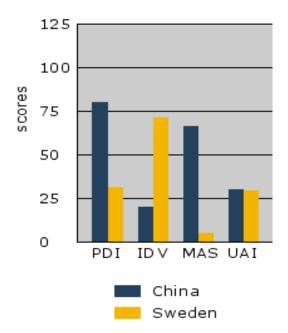
Out of the expectations, we at least prove that the frequency of male and female leaders' exhibition of transformational leadership does not differ. As transformational leadership style is perceived as a more desirable and more effective style, it may suggest that both male and female should have at least equal access to leadership roles.

## **6.4.** The Influence of Culture on Leadership Styles

#### 6.4.1 Result of Four Cultural Dimensions of China and Sweden

The scores of Hofstedes' cultural dimension of China and Sweden can be showed in Table 6.9.





PDI	Power Distance
IDV	Individualism
MAS	Masculinity
UAI	Uncertainty Avoidance

Source: http://www.geert-hofstede.com/

One of our assumptions is that China is a highly collectivistic, masculine society, characterized by low uncertainty avoidance and high power distance. In contrast, Sweden's cultural dimensions should be opposite to Chinese culture dimensions except the uncertainty avoidance index.

Since the research targets of Hofstede's cultural dimensions are the employees in the multinational company IBM, his result may not stand for the whole population of a specific country. More importantly, since the participants of our questionnaires are demarcated in the management level, this small group of people may present different cultural characteristics compared with the whole population. One of the main tasks of our dissertation is to investigate whether the cultural stereotypes according to Hofstede's study is applicable to our specific research objects. Therefore, we add the culture part into our questionnaire with the aim to test whether there are some differences between the theory and the reality.

Table 6.10 indicates which questions investigate the four cultural dimensions in China and Sweden

Table 6.10 The Questions related to Cultural dimensions:

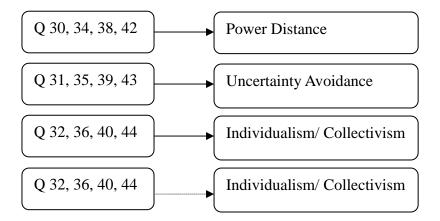


Table 6.11: Comparison of Cultural dimensions between China and Sweden (See Appendix 8)

Cultural Dimensions	<b>China</b> (N=46	Sweden (N=44)	<b>Significance</b> (2-tailed)
Power Distance (overall)	3,20	2,32	,000
Uncertainty Avoidance (overall)	3,48	3,15	,102
Collectivism (overall)	0,78	0,63	,127
Femininity (overall)	0,51	0,62	,014

In Power Distance and Uncertainty Avoidance indexes, a scale from 0 to 6 is used, where number 3 allows the respondent to have a neutral opinion, namely, "undecided". So if the mean is above 3, we can reckon that this country has relatively high score in these two indexes, vice versa.

As for the Collectivism/Individualism and Femininity/Masculinity indexes, we choose to use a question with two different options. Each option directs to a cultural characteristic, and has one corresponding number, 0 or 1. Thus, if the mean is above 0.5, we can presume that country is relatively collectivistic or feminine society, vice versa.

#### 6.4.1.1. Power Distance

From table 6.9, we can find Hofstede's result of power distance for China arrives at 80, which is fairly high. When it comes to Sweden, it gets 31 scores. Since our assumptions are based on Hofstede's research, we would assume that Chinese group should be high on power distance index, while Swedish group should be low.

The mean responses on the set of cultural dimensions are presented in table 6.11. With a mean value of 3.20, the Chinese participants place themselves in a higher bound of the scale, while the Swedish participants' answers give a mean of 2.32, which is in a lower bound. Both of the cultural groups answer as predicted. Further, power distance index is the only index among the four whose significance is below 0.05 (Sig=0.000), which means there are significant differences between Chinese and Swedish participants. The Swedish managers and Chinese managers respond the same as Hofstede's conclusion.

#### 6.4.1.2. Uncertainty Avoidance

In table 6.9, we find Hofstede's result of Uncertainty Avoidance for China arrives at 30, which is almost the same as Sweden, who score as 29. Thus, we suppose there should be no big differences between China and Sweden since these two countries rank fairly close in uncertainty avoidance index.

The result shows that Chinese managers get the mean value of 3.48 and Swedish managers get the mean value of 3.15. There is no significant difference between China and Sweden in this index. But to our surprise, the mean values of all the managers in the two countries are above 3.00, which means that both countries have relatively high uncertainty avoidance. This implies that both Swedish and Chinese managers in SMEs tend to avoid uncertainties and are afraid of implementing ideas that are beyond the routine ones. There are slim chances that they will encourage themselves or their subordinates to challenge the status quo. One of the possible reasons might be that, in both cultures, the leaders must embody their stability and dependability and avoid ambiguity and unclear rules in order to earn the respect of subordinates.

#### 6.4.1.3. Collectivism/Individualism

Table 6.9 shows that in the Collectivism/ Individualism index, China score 20. However, when it comes to Sweden, it gets 71 scores, whose rank among seventy-four countries and regions is 13-14. Thus, it is obvious that China is typically collectivism country, and Sweden belongs to individualism country.

We can see from the table 6.11 that both Chinese and Swedish answers fall in the upper bound with a mean value of 0.78 and 0.63. The difference between this cultural dimension in China and Sweden is not overwhelming which is proved by the significance value of 0.127.

Only Chinese group answer as predicted, while Swedish counterparts react just oppositely as the assumption based on Hofstede's research. In collectivistic society the group's well-being and group consensus is stressed. The similarity of Chinese and Swedish managers' collectivism/individualism may be due to the company size involved in our survey. As shown in table 6.5 & 6.6, 50% Chinese companies and 84.1% Swedish companies have employees less than 100. Especially, for the Swedish part, there are 68.2% companies have employees which are less than

10. That means most of the Swedish companies in our survey are very small-sized and may be family-owned enterprises. In this kind of company, the members' relationship is basically moral, like a family link, or even you can say, they may be real family members who constitute the company. Therefore, it is not surprising to find that Swedish participants also get a high score in collectivism dimension.

#### 6.4.1.4. Femininity/Masculinity

Table 6.9 indicates that China is ranked as a masculine society with the score of 66 whereas Sweden is ranked as a fairly feminine society with the score of 5.

Firstly, we should notice that our questions under this index have the opposite direction to Hofstede's. With regard to our situation, higher score signifies more feminine. Therefore, the result of our research is not coherent with the overall tendency based on Hofstede's research to some extent. Chinese managers get the mean value of 0.51, which signifies China has a feminine culture, and Swedish managers get the mean value of 0.62, which also signifies a feminine culture. However, there is significant difference between two cultural groups according to the significance value 0.014.

Compared with the stereotype of Chinese culture, Chinese managers really get a high score on femininity index. In the old times of China, males dominated a remarkable position not only in social life but also in workplace. There was a high level of differentiation and discrimination against women. But with overwhelming changes of Chinese society these years, people's consciousness and values have been changed to a greater extent, especially women's social status improved greatly. Take our survey for instance, it is much easier for us to find female managers in China rather than in Sweden. We got 22 Chinese female managers but only 13 Swedish female managers. Many Chinese women, especially the young generation, have been raised in such an environment, consider themselves to a great degree equal to men. Therefore, even though it totally contradicts our stereotype of Chinese culture; our result is still acceptable in such a specific situation. The other possible reason may also lie in the given research field, SMEs. In SMEs, it is much easier for women to stride over glass ceiling, which is quite a common phenomenon in MNEs.

#### 6.4.1.5. Summary

Result from our study shows that there are cultural differences concerning power distance and femininity/masculinity between China and Sweden. Nevertheless, the result is somewhat contrary to Hofstede's theory.

We can summarize the four cultural dimensions of the two countries as such: China is a highly collectivistic, feminine society, characterized by high uncertainty avoidance and high power distance. Sweden is a collectivistic, feminine society, characterized by high uncertainty avoidance and low power distance.

Our questionnaire is inspired and modified from an old dissertation composed by Marcus Bornholt, Marianne Elfverson, Andereas Johnsson *The Cultural Enigma in a Multi-Task Experiment* (Kristianstad, 2005). It is very interesting to compare our results with theirs. Scores of our samples are quite different from those obtained by them when they surveyed only ten Chinese students and ten Swedish students of Kristianstad University. Their results are summarized as such: Sweden is presented as a feminine culture with a low power distance and high ranks on the individualism index. China on the other hand, is perceived to be quite the opposite as it is a masculine culture with a high power distance and a highly collectivistic society. This indicates that their findings are consistent with the cultural stereotype. The differences between ours and theirs may be due to the sample difference. The samples in their research are students, while the participants involved in our survey are the leaders who have the real management experience. Even though respondents are from the same nations, they may give different answers due to their own values and beliefs.

Hofstede himself also (2001) argues that all narrow samples (meaning just a few companies or a certain profession or other category of people) are atypical in some way. But it does not matter, as long as all the samples are atypical in the same way from one country to another. The quality of the matching of such samples and the generalizability of conclusions drawn from such research can only be proven *ex post*. Since our research only focuses on the managers in SMEs, and we will only generalize our model within the field of SMEs, we believe that our samples are representative of this specific kind of companies to some extent. Further research is very necessary to be conducted in SEMs with other industry categories.

### 6.4.2. Answers to Hypothesis 3, 4, 5, 6, 7, 8, 9, 10

Table 6.12 Correlations Cultural Dimensions and Leadership styles (See Appendix 9)

Cultural Dim	ensions	Transformational Leadership	Transactional Leadership		
Power Distance	Pearson Correlation	247(*)	.106		
Power Distance	Sig. (2-tailed)	.019	.319		
	N	90	90		
Uncertainty	Pearson Correlation	056	.084		
<b>Avoidance</b>	Sig. (2-tailed)	.600	.431		
	N	90	90		
C. H. Alder	Pearson Correlation	.161	.327(**)		
Collectivism	Sig. (2-tailed)	.129	.002		
	N	90	90		
Famininit	Pearson Correlation	.141	.056		
Femininity	Sig. (2-tailed)	.186	.603		
	N	90	90		

<sup>\*\*</sup> Correlation is significant at the 0.01 level (2-tailed).

Table 6.12 indicates the correlation between the four cultural dimensions and leadership styles based on SPSS correlation analysis.

For the Power Distance index, it has no correlation with transactional leadership judging from the correlation value of 0.106 (Sig.=0.319). Consequently, *hypothesis 3 is rejected*. But it has a correlation value of -0.247 (Sig.=0.19), indicating that there is negative correlation between power distance and transformational leadership, put in another way, managers in countries with small power distance tend to use a more transformational leadership. As a result, *hypothesis 4 is supported*.

Concerning the uncertainty avoidance subscale, there isn't any correlation between this item and

<sup>\*</sup> Correlation is significant at the 0.05 level (2-tailed).

any kind of leadership style. This is proved by the correlation value of 0.600 and 0.431. Thus, hypothesis 9 and 10 are rejected.

With respect to collectivism index, it has a correlation value of 0.327. That is to say, there is positive correlation between collectivism and transactional leadership. This result is also opposite to hypothesis 5 and 6. As a result, *hypothesis 5 and 6 are rejected*.

As for the last dimension femininity, we find that there is no correlation between femininity and transformational leadership style either, so *hypothesis 7 and 8 are rejected*.

### *6.4.3. Summary*

In short, our research shows there is a very slight influence of culture upon leadership styles, especially when examining the specific dimensions, we find that there is either negative correlation or no correlation between tested variables.

#### 6.5. Conclusion

Result from our research suggests that both Chinese managers and Swedish managers of SMEs are prone to be more transformational than transactional. The study further shows the influence of gender and culture on leadership styles. With respect to the gender, both male managers and female of the two countries tend to be transformational, indicating that there is no gender influence on leadership styles. As far as culture is concerned, Hofstede's four cultural dimensions are slightly correlated to leadership styles. In the following, our result of hypotheses will be summarized and the research questions will be answered.

#### 6.5.1. Result of Hypotheses –Testing

Based on result of our study, the result of hypotheses-testing is summarized in Table 6.13:

Table 6.13 Result of Hypotheses-Testing

Hypotheses	Test	ing
Trypotheses	Supported	Rejected
H1		$\sqrt{}$
H2		$\checkmark$
Н3		$\checkmark$
H4	$\checkmark$	
Н5		$\checkmark$
Н6		$\checkmark$
H7		$\checkmark$
Н8		$\checkmark$
Н9		$\checkmark$
H10		$\sqrt{}$

As stated before, the first two hypotheses, which are concerned with gender and leadership styles, were rejected. That is to say, there is no gender influence on leadership styles. Both male and females managers employ transformational leadership style based on our research result. The rest of hypotheses are related to cultural dimension and leadership styles. Except hypothesis 4, all the others are rejected based on the study.

#### 6.5.2. Answer to Research Questions

#### 6.5.2.1. Answer to the First Research Question

The first research question of the dissertation is:

➤ What characterize the leadership styles of SMEs in China and Sweden? Are they transformational or transactional?

This fundamental question can be answered based on the research result, which indicates that Chinese managers and Swedish managers of SMEs are alike in leadership styles; namely, both of the two parties tend to be more transformational than transactional.

The transformational leaders are characterized by Four I plus One R:

• Idealized Influence: they may influence their followers through their charming and

influential personality and serve as role models.

- Intellectual Stimulation: they may intellectually stimulate their employees.
- *Inspirational Motivation*: they may persuade employees to believe in the mission and its attainability.
- *Individualized Consideration*: they may meet the emotional needs of their employees.
- *Risk Acceptance*: they may feel easy to take risks and like business adventure.

The transactional leaders are characterized by:

- *Contingent Reward*: they reward their employees according to good performance, and punish them due to bad performance.
- *Management-By-Exception*: they take advantage of the power to reward or penalize employees, and they focus on employees' errors and try to discipline them.
- Laissez-Faire: they may hardly pay attention to their employees unless the work is absolutely important and essential.

#### 6.5.2.2. Answer to the Second Research Question

The second research question is:

➤ Which element - gender or culture - exerts a more important impact on the leadership styles of SMEs in China and Sweden?

As stated before, both males and females in the two countries are alike in leadership styles, indicating there is no gender influence on leadership styles. Similarly, there is a very slight impact of culture upon leadership styles; that is to say, the three cultural dimensions - Uncertainty Avoidance, Collectivism/Individualism and Femininity/Masculinity - have no correlation with leadership styles from statistical perspective. Only the dimension of Power Distance with a negative correlation value shows that managers in countries with small power distance tend to use a more transformational leadership.

To sum up, compared to the gender element, culture exerts a little more impact on leadership style of SMEs in China and Sweden.

## **Chapter 7 Final Conclusions**

The conclusion is drawn in this chapter. The applicability of the explanatory model is evaluated. Finally, suggestions for future research and practical implications are presented.

### 7.1. Summary of the Dissertation

The dissertation explores and evaluates two cardinal issues: first, it aims to compare leadership styles adopted by managers of SMEs in China and Sweden; second, it attempts to test which element - gender or culture - exerts a more influence upon leadership styles.

Amongst many other theories on leadership, transformational and transactional leadership theories are chosen as the main research topic in our dissertation. The reason is that the traditional leadership theories are insufficient for understanding the relationship between superiors and subordinates in the fast paced world of international business. In contrast, transformational theory focuses on the relationship between leaders and employees. More importantly, it is related to the influence of gender on leadership, which has been ignored by traditional leadership theories in male-dominated industries.

With respect to the gender factor, some scholars report that male and female managers employ different leadership styles. Several studies also indicate that women are perceived, and perceive themselves, as using transformational leadership styles more than men (Bass *et al.*, 1996; Druskat, 1994; Rosener, 1990). Others believe that there is no gender difference in leadership style and no difference in the general effectiveness of men and women as manager either (Komives, 1991; Maher, 1997).

In terms of the cultural factor, many cross-cultural studies suggest that culture has a great influence on leadership concepts, styles, and practices (House & Aditya, 1997; Gerstner & Day, 1994; Hofstede, 2001). However, Bass argues that transformational and transactional leadership theory can be applicable to different cultures (Bass, 1991). In other words, there is no influence of culture on leadership.

Based on the above-mentioned researches, we formulated 10 hypotheses and created the PWP model with the aim to evaluate to what extent gender and culture exert impact upon leadership

styles. The deductive approach was chosen as methodology and quantitative data was gathered with the help of an empirical study of an online questionnaire. The respondents were contacted by email and were directed to the website <a href="http://www.octosoft.cn/q/ECQuestionnaire.aspx">http://www.octosoft.cn/q/ECQuestionnaire.aspx</a>, where they could fill in the questionnaire. The response rate of the questionnaire was about 13%.

Drawing upon empirical support and a survey of questionnaire, we formulate our research results accordingly, which are summarized in the following.

To begin with, the research indicates both Chinese managers and Swedish managers of SMEs are prone to be more transformational than transactional. It seems that transformational leadership is perceived as a more effective leadership in face of overwhelming competition in international business.

Secondly, the statistical result also show there is no significant difference between male and females managers. It corresponds with some researches stating that transformational leadership may be a more androgynous style, which is perceived as the best leading behavior both for males and females (Hackman *et al.*, 1992; Book, 2000).

Thirdly, the impact of culture on leadership styles is quite slight based on our research. It shows that there is no correlation between the Hofstede's four dimensions and leadership, except the index of power distance.

In conclusion, all the hypotheses except hypothesis 4 are rejected according to our results. Nevertheless, we can still examine some differences on leadership styles between China and Sweden, proved by the significance value. When comparing these two countries, we find that China is a bit more transactional while Sweden is a bit more transformational. This may be due to the significant differences on power distance and femininity/ masculinity index between China and Sweden. Further research on a broader scale and in a more typical national industry may lead to different results where the cultural influence is more obvious. Accordingly, we may conclude that, compared to the gender element, culture exerts a little more impact on leadership style of SMEs in China and Sweden.

### 7.2. Applicability of the Model

Our research model was based on three factors: leadership styles, gender and culture. We supposed that both gender and culture would affect the leadership style more than other factors, such as industry, age and personal traits. We wanted to find the correlation between leadership style and these two factors.

The foundation of the model is the ten hypotheses we formulated. If we can prove the hypotheses to be true, we can generalize our model to the SMEs field afterwards. After analyzing the research result, we realized that nine out of ten hypotheses were rejected.

Both male and female managers tend to be transformational. This may indicate that transformational leadership is a more androgynous, other than earlier directive or task-oriented models of leadership.

When it comes to the cultural part, data from this study suggest that the impact of cultural differences on leadership style cross-countries may be decreasing. However, several factors that may have led to such results should be noted, such as a limited number of samples, the homogeneity of the participants, etc.

As a result, the applicability of the model doesn't exist since we could not prove any significant differences between cultural groups and gender groups.

#### 7.3. Self-Criticism

When reviewing the methodology, which was adopted in this research, we find some methods worthy of discussing and should be criticized.

First, one of the biggest limitations in our dissertation lies in the questionnaire's bias. Only the self-rating usage of leadership styles was measured, rather than actual performance in the workplace. Thus, there may exist a difference between the leadership style reported and actually practiced. However, Bass's MLQ is conducted from multiple sources - the manager herself/himself; the manager's subordinates, the manager's superiors, and the managers' peers - which result in more objective and reliable facts. If this bias is stable or similar across countries, then it is not problematic. However, if it varies across cultures, then it can influence the results of the study. In our stereotype of Chinese culture, we find that Chinese people are face-conscious;

therefore, it might be possible for them to choose some positive and desirable answers rather than negative ones. Under the circumstances, the subjectivity of the respondents is questionable. Moreover, the questions can be interpreted in different ways by different respondents. An accurate judgment is difficult to make, since the respondents may not have noticed the behavior at the time it occurred. (cf. Schriesheim and Kerr, 1977; Luthans and Lockwood, 1984. Yukl (1989,p.79) Concerning the language, even though English is widely spoken in Sweden, we may get more accurate answers if the questionnaire can be translated into Swedish.

Second, we also limited ourselves to firms within import-export trading field. The samples were relatively small-sized and very homogenous. The values and behaviors of the managers in such kind of companies could be quite similar as they have more chances to expose to the international markets and have to adapt themselves to the changing environment. Because of the nature of the samples, the generalizability of the findings on a larger population is questionable. The result might have leaned to the opposite direction if we chose a more traditional industry and local companies.

Third, only firms with an email address could be part of our sample. Therefore, some important information might be missing.

#### 7.4. Future Research

Since transactional and transformational leaderships are relatively new concepts, it would be interesting to do further researches within this area. With our research as foundation further researches can be conducted in the following areas:

- 1. Since our survey only focuses on managers in China and Sweden, it is difficult for us to get general results concerning the leadership style of different countries all over the world. Thus, a research with a larger sample would give a more dependable and generalized result.
- 2. Since we only focus our investigation on small and medium import and export companies, another interesting topic in future would be to replicate this study in various industries to find out whether our findings can be generalized for other industries.
- 3. As mentioned earlier, the data for this study were gathered through self-rating. An alternative, and better but more difficult approach is to distribute the questionnaires also to the managers'

superiors, peers, and subordinates to rate the managers' leadership style. Different results may be obtained.

- 4. In our dissertation, we ascribe the different leadership styles only to gender and culture factors. However, we think it could also be interesting to conduct our researches on other explanatory factors. More specifically, in order to gain a more clear picture of what factors make influence on leadership styles, other factors such as managers' personal traits, industrial characteristics could also be taken into consideration in future researchs.
- 5. It would be of interest to assess the effectiveness of different leadership styles. Maybe in different cultures, the most effective leadership may not be the same. It is worthwhile to conduct research on the correlation between leadership styles and organizational performance.

#### 7.5. Practical Implication

Even though all the hypotheses were rejected and the PWP model could not be generalized, our research does deserve positive criticism. It is helpful for managers to gain a better understanding of leadership styles, namely, transformational leadership and transactional leadership. Besides, the research reveals that transformational leadership style tends to be a better choice for managers to adopt. It also proves that Bass' transformational theory is applicable to different cultural contexts.

Our findings may offer valuable suggestions for further researchers, revealing that personal trait may play a more important role in leadership styles than the gender and culture factors. Moreover, different leadership environment may need different kinds of leadership styles and different personal traits of these leaders.

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## **Appendix 1a**



## **English version of the Questionnaire**

The questionnaire will probably cost you 10-15 minutes. Please choose the best answer which you think is the most appropriate to your situation. Try to complete at a time when you are unlikely to be disturbed. Also, please do not spend too much time on any one question. Your first thoughts are usually the best!

Please note that your answers are very important for us to test the different leadership styles between China and Sweden, therefore, we have your attention to complete all the questions even though some of them do not suit you perfectly. Moreover, all the questions in the questionnaire will enable us to test the cultural differences between China and Sweden.

Concerning our questionnaire, each question contains 7 options, which stands for 7 different answers. The number 0-6 stands for scores, by which you can show the extent of your agreement to all the statements. For example, if you agree the statement totally, then mark 6 scores. On the contrary, If you disagree the statement extremely, then mark 0 score, which is the lowest score of our answer.

- 0. Totally disagree
- 1. Moderately disagree
- 2. Slightly disagree
- 3. Undecided
- 4. Slightly Agree
- 5. Moderately Agree
- 6. Totally Agree.

Thank you very much for taking the time off your busy schedules. And please do not hesitate to contact us if you have any questions. Once again, thank you very much for your sincere cooperation!

Pan Xiaoxia (panxiaoxia@gmail.com) Pan Xiaoxia (butterflying1981@hotmail.com) Wu Jing (melody19830325@hotmail.com)

### **QUESTIONNAIRE**

## **Background information**

1. Are you a female or a male?
A). Male B). Female
2. What's your nationality?  A). China B). Sweden C).
3. How old are you?  A). up to 30 years B). 31-40 years C). 41-55 D). 56 years and older
4. What's your position at the company?  (If you are titled as manager, for instance, sales manager, then you can choose manager for
your answer; otherwise, you may choose employee)  A). manager B). employee
5. How many employees in your company?  A). less than 20 B).20-99 C). 100-199 D). 200-1000 E). more than 1000
Leadership Styles
6. I make others feel good to work with me.  1
13. I am content to let others continue working in the same way as always.  14. Others are proud to be associated with me.

15. I help others find meaning in their work.
16. I provide others with new ways of looking at puzzling things.
17. I give personal attention to others who seem rejected.
18. I think intuition is the best guide in making decisions.
19. I provide recognition/rewards when others reach their goals.
20. As long as things are working, I do not try to change anything.
21. Whatever others want to do is O.K. with me.
22. I talk about my most important values and beliefs to my employees.
23. I articulate a compelling vision for the future.
24. I get others to rethink ideas that they had never questioned before.
25. I give careful attention to the working conditions of my employees.
26. I make quick decisions when necessary.
27. I clearly clarify the responsibility for achieving targets.
28. I tell others the standards they have to know to carry out their work.
29. I don't care much what others do unless the work is absolutely essential.
Cultural Dimensions
30. I am entitled to privileges compared to my subordinates.
31. I think company rules should not be broken even when the employee thinks his decision is
within the company's best interests.

32. Once given tasks, I prefer to work: individually or in a group?
0. Individually 1. In a group
33. What is more important about the job, a high salary or feeling satisfied?
$lue{f \Box}$ 0. A high salary $lue{f \Box}$ 1. Feeling satisfied
34. There is a wide salary range between the top and bottom of the organization.
35. It is important to be on time to business appointments.
36. In my workplace, I consider myself to have close family like bonds with my subordinates.
37. What is more important, a better position or employment security?
$\square$ 0. A better position $\square$ 1. Employment security
38. I think my subordinates should only follow my order without knowing why it should be
done.
39. I only consider written contracts to be binding.
40. I consider to be most important, individual achievements or group performance?
0. Individual achievements 1. Group performance
41. I tend to put more emphasis on: work goals or personal goals?
(Work goals: earnings, advancement; personal goals: friendly getting along well with your
subordinates)
0. Work goals 1. Personal goals
42. I think that my subordinates are afraid to disagree with me, even if they have better ideas.
43. In my organization, change is viewed as a threat.
44. When it comes to decision making, I prefer: a single leader or group consensus?
0. A single leader 1. Group consensus
45. I prefer to solve the conflict though : negotiation and compromise or confrontation
and argument?
$lue{f C}$ 0. Confrontation and argument $lue{f C}$ 1. Negotiation and compromise

## **Appendix 1b**



## Chinese version of the Questionnaire

问卷调查:中国和瑞典领导者管理风格的比较研究

欢迎光临本网站!希望您能根据自己的经验和想法如实作答。我们保证不会提及公司名称, 并且绝不泄露任何个人信息。

完成该调查问卷约需 10-15 分钟。请您在不被打扰的情况下独立完成问卷. 并且诚实作答. 不要在一个题目上面过多的停留, 通常第一个想法是您最好的选择。 如果有些题目您无法直接回答, 请不要忽略它们。您的回答, 对于我们测试比较中国瑞典不同的管理风格至关重要。 同时, 它还能帮助我们有效地测试中国瑞典不同的文化层面。

关于我们的问卷,每个题目包含 6 个选项,数字 0-6 代表分数,表示您对题目陈述的同意程度。

- 0 分:表示非常不同意.
- 1分:表示不同意.
- 2 分:表示有一点不同意.
- 3 分:表示既不同意也不反对
- 4 分:表示有一点同意
- 5 分:表示同意.
- 6 分:表示非常同意.

希望您有一个愉快的心情来完成这份调查问卷!调查占用您的宝贵时间,谨致衷心的感谢。如果有任何问题,请您及时联系我们。

感谢您的配合和支持!

联系人电子邮箱:

潘小霞 (panxiaoxia@gmail.com) 潘晓霞 (<u>butterflying1981@hotmail.com</u>) 吴静 (<u>melody19830525@hotmail.com</u>) @ Kristianstad 大学,瑞典

领导风格问卷调查
<u>背景问题</u> 1. 我是? □ A). 男性 B). 女性
<ol> <li>2. 我的国籍?</li> <li>A). 中国 B). 瑞典 C). 其他,请填写。</li> </ol>
3. 我的年纪? □ A). 三十岁以下 □ B). 31-40 □ C). 41-55 □ D). 56岁以上
4. 我在公司中的职位? ( <i>经理:只要您有任何经理的头衔(比如,部门经理),即可选择"经理",反之,请选择"员工"</i> .) □ A). 经理□ B). 员工
5. 我公司有位员工? □ A). 少于 20 人□ B). 20-99□ C). 100-199□ D). 200-1000□ E). 1000 以上
<u>领导风格</u>
6. 能够和我一起工作,我的员工感觉很不错.
7. 我能够鼓励我的员工充分发挥他们的真实水平和能力到他们的工作中去.

8. 我能够经常鼓励员工从多个角度考虑问题的解决办法, 特别是新的解决办法.

 $\square$   $_0$   $\square$   $_1$   $\square$   $_2$   $\square$   $_3$   $\square$   $_4$   $\square$   $_5$   $\square$   $_6$ 

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12.		_ `										. ,	这一点会让我很满意.
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14.		_	•					工作					
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		J	0		1	0	2	3 <sup>□</sup>	4	5		6	
19.								我会		-			
	Ĺ	J.	0	U	1	U	2	3	4	5		6	
20	Ŭ]	要	丁和	乍都:	在7	钻道	ήŀ	我就	不士	原音	全大司	りず.	些什么.
_∪.		_						3					<u> </u>
			U		1		4	J	4	)		U	

21. 只要员工做的事情不会出大的毛病,我不会去干涉.

		0		1	2	3 <sup>C</sup>	4	5		6
22.	我能	-			明奋斗 2 <sup>□</sup>					6
23.	我能领		-		」地畅订 2□			5		6
24.	我不清				生工作 2□	–				
25.	• - •				注程当□ 2□	. ,	•	. — -	•- •	厂个人的实际情况. 6
26.		_			我能 <sup>6</sup>					,不会考虑太久. 6
27.				–	ɪ向员 <u>□</u> 2 <mark>□</mark>			,		到目标的职责. 6
28.		•	•		尽的工 2 <b>□</b>		. , -			的员工权责分明. 6
29.					常重要 2 <sup>□</sup>					我的员工在做什么.
<u>文(</u>	<u>化部分</u>	<del>-</del>								
30.	跟我				我有 2 <sup>©</sup>					6
	即使排容破坏		员工	作出	的一点	些违质	反公司	引制。	度的	决定是为了公司的利益,我也认为公司制度
• '				1	2	3	4	5		6
32.	当接				时,我 只自完			印别。	人合	作

33.	我觉得这项更重要 0. 很高的收入 1.工作的成就感
34.	在我的公司里,最上层的员工和最低层的员工的收入差别很大. $\begin{bmatrix} \mathbf{C} & 0 & \mathbf{C} \end{bmatrix} = \mathbf{C} \begin{bmatrix} \mathbf{C} & \mathbf{C} \end{bmatrix} = \mathbf{C} \begin{bmatrix} \mathbf{C} & \mathbf{C} \end{bmatrix}$
35.	在商务约会时,我总是能够非常守时. $\begin{array}{cccccccccccccccccccccccccccccccccccc$
36.	在公司里, 我认为自己和我的下属有着非常亲密的如同家人般的关系. $\begin{bmatrix} \mathbf{C} & 0 \end{bmatrix} \begin{bmatrix} \mathbf{C} & \mathbf{C} \end{bmatrix} \begin{bmatrix} \mathbf{C} & \mathbf{C} \end{bmatrix} \begin{bmatrix} \mathbf{C} & \mathbf{C} \end{bmatrix}$
37.	哪个对我来说更重要? 0. 更高的职位 1. 一个安全职位 (我不会被炒)
38.	我觉得我的员工只需要服从我的决定, 不需要问我为什么. $\begin{array}{cccccccccccccccccccccccccccccccccccc$
39.	我认为只有书面合同才具有约束力. $\begin{array}{cccccccccccccccccccccccccccccccccccc$
40.	我认为更重要.  • 0. 个人成就 1. 集体表现
( <u>I</u>	我更加强调 作目标包括:薪水,提升,个人成就等等,个人目标比如与同事员工相处融洽,愉快工作氛围等等.)  0. 工作目标 1. 个人目标
42.	我认为我的员工不敢否定我的决定. $\square_0 \square_1 \square_2 \square_3 \square_4 \square_5 \square_6$
43.	在我的公司里,改变被认为是一种危机的标志. 大家比较喜欢维持现状. $\square_0$ $\square_1$ $\square_2$ $\square_3$ $\square_4$ $\square_5$ $\square_6$
44.	当需要作出决定的时候,我比较喜欢  □ 0. 自己作决定 1. 征求大家的意见,争取达到共识.

45. 当遇到争端的时候,我比较喜欢\_\_\_\_\_.

0. 争论或对峙. 1.谈判和妥协

# Appendix 2

# **Comparisons of Transformational Leadership between China and Sweden**

### **Group Statistics**

	What's your nationality?	N	Mean	Std. Deviation	Std. Error Mean
TransformationalLeadershi	China	46	63.4565	9.20557	1.35729
р	Sweden	44	71.9773	8.32896	1.25564
IdealizedInfluence	China	46	13.0000	2.40370	.35441
	Sweden	44	14.4091	2.18151	.32887
InspirationalMotivation	China	46	13.3261	2.22165	.32757
	Sweden	44	15.2955	2.27810	.34344
IntellectualStimulation	China	46	13.2826	2.69702	.39765
	Sweden	44	14.3636	2.16839	.32690
IndividualizedConsideration	China	46	13.1304	2.34387	.34558
	Sweden	44	14.9773	1.89845	.28620
RiskAcceptance	China	46	10.7174	2.77819	.40962
	Sweden	44	12.9318	3.07577	.46369

### **Independent Samples Test**

		Levene's Test for Equality of Variances t-test for Equality of Means									
									95% Confidence Interval of the Difference		
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper	
TransformationalLeadershi p	Equal variances assumed	.009	.923	-4.598	88	.000	-8.52075	1.85316	-12.20352	-4.83798	
	Equal variances not assumed			-4.608	87.735	.000	-8.52075	1.84901	-12.19543	-4.84607	
IdealizedInfluence	Equal variances assumed	.197	.658	-2.908	88	.005	-1.40909	.48454	-2.37202	44617	
	Equal variances not assumed			-2.914	87.763	.005	-1.40909	.48349	-2.36996	44822	
InspirationalMotivation	Equal variances assumed	.004	.949	-4.152	88	.000	-1.96937	.47434	-2.91201	-1.02673	
	Equal variances not assumed			-4.150	87.571	.000	-1.96937	.47460	-2.91261	-1.02613	
IntellectualStimulation	Equal variances assumed	1.549	.217	-2.090	88	.040	-1.08103	.51726	-2.10898	05308	
	Equal variances not assumed			-2.100	85.506	.039	-1.08103	.51477	-2.10444	05761	
IndividualizedConsideration	Equal variances assumed	1.419	.237	-4.097	88	.000	-1.84684	.45081	-2.74273	95095	
	Equal variances not assumed			-4.116	85.705	.000	-1.84684	.44871	-2.73889	95479	
RiskAcceptance	Equal variances assumed	1.507	.223	-3.587	88	.001	-2.21443	.61730	-3.44118	98768	
	Equal variances not assumed			-3.579	86.161	.001	-2.21443	.61871	-3.44434	98451	

# **Appendix 3** Comparisons of Transactional Leadership between China and Sweden

### **Group Statistics**

	What's your nationality?	N	Mean	Std. Deviation	Std. Error Mean
TransactionalLeadership	China	46	34.5217	6.33768	.93444
	Sweden	44	31.2045	8.32642	1.25526
ContingentReward	China	46	12.6739	2.92920	.43189
	Sweden	44	13.2273	3.31917	.50038
ManagementByException	China	46	11.7174	2.81790	.41548
	Sweden	44	12.4091	3.03712	.45786
LaissezFaire	China	46	10.1304	3.49990	.51603
	Sweden	44	5.5682	4.52074	.68153

### **Independent Samples Test**

			Test for Variances			t-test fo	r Equality of M	eans		
									95% Confide of the Di	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
TransactionalLeadership	Equal variances assumed	6.160	.015	2.133	88	.036	3.31719	1.55554	.22589	6.40850
	Equal variances not assumed			2.120	80.300	.037	3.31719	1.56488	.20317	6.43122
ContingentReward	Equal variances assumed	.690	.408	840	88	.403	55336	.65915	-1.86328	.75656
	Equal variances not assumed			837	85.558	.405	55336	.66099	-1.86746	.76075
ManagementByException	Equal variances assumed	1.259	.265	-1.121	88	.265	69170	.61723	-1.91832	.53492
	Equal variances not assumed			-1.119	86.759	.266	69170	.61827	-1.92063	.53723
LaissezFaire	Equal variances assumed	3.903	.051	5.367	88	.000	4.56225	.85005	2.87296	6.25155
	Equal variances not assumed			5.337	80.998	.000	4.56225	.85485	2.86137	6.26314

# Appendix 4a

## **The Age-Level the Whole Participants**

### How old are you?

The Whole Participants		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	up to 30 years old	38	42.2	42.2	42.2
	31- 40 years old	19	21.1	21.1	63.3
	41-55 years old	18	20.0	20.0	83.3
	56 years and older	15	16.7	16.7	100.0
	Total	90	100.0	100.0	

# **Appendix 4b**

# **The Age-Level of Chinese Participants**

### How old are you?

China		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	up to 30 years old	36	78.3	78.3	78.3
	31- 40 years old	7	15.2	15.2	93.5
	41-55 years old	3	6.5	6.5	100.0
	Total	46	100.0	100.0	

# **Appendix 4c**

# **The Age-Level of Swedish Participants**

### How old are you?

Sweden		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	up to 30 years old	2	4.5	4.5	4.5
	31- 40 years old	12	27.3	27.3	31.8
	41-55 years old	15	34.1	34.1	65.9
	56 years and older	15	34.1	34.1	100.0
	Total	44	100.0	100.0	

# Appendix 5a

## The Size of Companies of China and Sweden

How many employees in your company?

The Whole Participants		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 20	44	48.9	48.9	48.9
	20-99	16	17.8	17.8	66.7
	100-199	12	13.3	13.3	80.0
	200-1000	14	15.6	15.6	95.6
	more than 1000	4	4.4	4.4	100.0
	Total	90	100.0	100.0	

# Appendix 5b

## **The Size of Chinese Companies**

China		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 20	14	30.4	30.4	30.4
	20-99	9	19.6	19.6	50.0
	100-199	10	21.7	21.7	71.7
	200-1000	9	19.6	19.6	91.3
	more than 1000	4	8.7	8.7	100.0
	Total	46	100.0	100.0	

# Appendix 5c

## The Size of Swedish Companies

Sweden		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 20	30	68.2	68.2	68.2
	20-99	7	15.9	15.9	84.1
	100-199	2	4.5	4.5	88.6
	200-1000	4	9.1	9.1	97.7
	more than 1000	1	2.3	2.3	100.0
	Total	44	100.0	100.0	

# Appendix 6

# **Comparisons of Transformational Leadership between Males and Females (Means and Significances)**

### **Group Statistics**

	Are you female or male?	N	Mean	Std. Deviation	Std. Error Mean
TransformationalLeadership	Male	55	68.0909	10.17672	1.37223
	Female	35	66.8857	9.08383	1.53545
IdealizedInfluence	Male	55	13.8182	2.48768	.33544
	Female	35	13.4857	2.25403	.38100
InspirationalMotivation	Male	55	14.4909	2.54495	.34316
	Female	35	13.9714	2.28146	.38564
IntellectualStimulation	Male	55	14.1091	2.69205	.36300
	Female	35	13.3429	2.11358	.35726
IndividualizedConsideration	Male	55	13.9455	2.36814	.31932
	Female	35	14.1714	2.26853	.38345
RiskAcceptance	Male	55	11.7273	3.12963	.42200
	Female	35	11.9143	3.13773	.53037

### **Independent Samples Test**

		Levene's Equality of				t-test fo	or Equality of M	eans		
									95% Confide of the Di	ence Interval ifference
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
TransformationalLeadershi p	Equal variances assumed	.631	.429	.571	88	.570	1.20519	2.11230	-2.99255	5.40294
	Equal variances not assumed			.585	78.479	.560	1.20519	2.05927	-2.89411	5.30450
IdealizedInfluence	Equal variances assumed	.489	.486	.641	88	.523	.33247	.51896	69886	1.36380
	Equal variances not assumed			.655	77.731	.514	.33247	.50762	67819	1.34312
InspirationalMotivation	Equal variances assumed	.605	.439	.982	88	.329	.51948	.52900	53179	1.57075
	Equal variances not assumed			1.006	78.266	.317	.51948	.51621	50816	1.54712
IntellectualStimulation	Equal variances assumed	1.278	.261	1.426	88	.157	.76623	.53723	30139	1.83386
	Equal variances not assumed			1.504	84.042	.136	.76623	.50931	24659	1.77905
IndividualizedConsideration	Equal variances assumed	.043	.837	449	88	.655	22597	.50384	-1.22725	.77530
	Equal variances not assumed			453	74.845	.652	22597	.49900	-1.22006	.76812
RiskAcceptance	Equal variances assumed	.018	.893	276	88	.783	18701	.67738	-1.53317	1.15914
	Equal variances not assumed			276	72.405	.783	18701	.67778	-1.53801	1.16398

# Appendix 7

# **Comparisons of Transactional leadership between Males and Females**

### **Group Statistics**

	Are you female or male?	N	Mean	Std. Deviation	Std. Error Mean
TransactionalLeadership	Male	55	32.1455	7.79938	1.05167
	Female	35	34.0857	7.00996	1.18490
ContingentReward	Male	55	12.9091	3.23907	.43676
	Female	35	13.0000	2.97044	.50210
ManagementByException	Male	55	11.9455	2.79164	.37642
	Female	35	12.2286	3.17236	.53623
LaissezFaire	Male	55	7.2909	4.62150	.62316
	Female	35	8.8571	4.51235	.76273

### **Independent Samples Test**

			Test for Variances			t-test fo	or Equality of M	eans	1	
										ence Interval Ifference
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
TransactionalLeadership	Equal variances assumed	1.850	.177	-1.196	88	.235	-1.94026	1.62260	-5.16484	1.28432
	Equal variances not assumed			-1.225	78.137	.224	-1.94026	1.58430	-5.09426	1.21374
ContingentReward	Equal variances assumed	.566	.454	134	88	.894	09091	.67852	-1.43932	1.25750
	Equal variances not assumed			137	77.119	.892	09091	.66547	-1.41601	1.23419
ManagementByException	Equal variances assumed	.874	.353	445	88	.658	28312	.63669	-1.54841	.98217
	Equal variances not assumed			432	65.718	.667	28312	.65516	-1.59129	1.02506
LaissezFaire	Equal variances assumed	.023	.879	-1.582	88	.117	-1.56623	.99023	-3.53411	.40164
	Equal variances not assumed			-1.590	73.828	.116	-1.56623	.98493	-3.52882	.39636

# Appendix 8

# Comparison of Cultural dimensions between China and Sweden

### **Group Statistics**

	What's your nationality?	N	Mean	Std. Deviation	Std. Error Mean
CulturalDimensions	China	46	34.6739	6.04080	.89067
	Sweden	44	29.5682	6.50723	.98100
PowerDistance	China	46	12.7826	4.01615	.59215
	Sweden	44	9.2955	4.07248	.61395
UncertaintyAvoidance	China	46	13.8913	3.83103	.56485
	Sweden	44	12.5909	3.63650	.54822
Collectivism	China	46	6.2609	1.49718	.22075
	Sweden	44	5.6591	2.16680	.32666
Femininity	China	46	2.0435	.75884	.11189
	Sweden	44	2.4773	.87574	.13202

### **Independent Samples Test**

	Levene's Test for Equality of Variances			t-test for Equality of Means						
									95% Confide of the Di	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
CulturalDimensions	Equal variances assumed	.605	.439	3.860	88	.000	5.10573	1.32280	2.47694	7.73452
	Equal variances not assumed			3.853	86.770	.000	5.10573	1.32501	2.47203	7.73943
PowerDistance	Equal variances assumed	.120	.729	4.089	88	.000	3.48715	.85271	1.79257	5.18174
	Equal variances not assumed			4.088	87.696	.000	3.48715	.85298	1.79195	5.18235
UncertaintyAvoidance	Equal variances assumed	.384	.537	1.650	88	.102	1.30040	.78807	26574	2.86653
	Equal variances not assumed			1.652	87.995	.102	1.30040	.78715	26391	2.86470
Collectivism	Equal variances assumed	4.948	.029	1.539	88	.127	.60178	.39113	17551	1.37907
	Equal variances not assumed			1.526	76.080	.131	.60178	.39425	18343	1.38699
Femininity	Equal variances assumed	3.065	.083	-2.515	88	.014	43379	.17250	77661	09098
	Equal variances not assumed			-2.507	85.034	.014	43379	.17306	77787	08972

# Appendix 9

# **Correlations: Cultural Dimensions and Leadership styles**

#### Correlations

		Transformational Leadership	Transactional Leadership
PowerDistance	Pearson Correlation	247(*)	.106
	Sig. (2-tailed)	.019	.319
	N	90	90
UncertaintyAvoidance	Pearson Correlation	056	.084
	Sig. (2-tailed)	.600	.431
	N	90	90
Collectivism	Pearson Correlation	.161	.327(**)
	Sig. (2-tailed)	.129	.002
	N	90	90
Femininity	Pearson Correlation	.141	.056
	Sig. (2-tailed)	.186	.603

<sup>\*\*</sup> Correlation is significant at the 0.01 level (2-tailed).
\* Correlation is significant at the 0.05 level (2-tailed).