

UDC 331

## THE ANALYSIS OF FOREIGN MANAGER LEADERSHIP

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### **ABSTRACT**

This research is included in the scope of cross-cultural leadership disciplines. The purpose of this research is to describe the leadership style applied by Japanese managers when they are assigned to a branch company in Indonesia, the factors that influence the leadership style, their adaptation model, and the obstacles faced. This research is interesting to study because Indonesia and Japan have a quite different culture. This is a qualitative descriptive research by which the results show that the leadership style of these managers is a democratic leadership style. Meanwhile, the factors that influence their leadership style are the cultural values of the manager's home country, previous international experience, and interpersonal skills. It is also revealed that the adaptation model of the managers is an integration model. The obstacles experienced by them lie in the issue of negative stereotypes and ethnocentrism. The negative stereotypes are shown from the generalizations that local employees are not disciplined in time and are lack of cleanliness. Whereas the ethnocentrism of these managers can be seen in local languages frustration and the judgment that local employees are inefficient without finding out the cause.

### **KEY WORDS**

Leadership style, cross culture, adaptation model.

Leadership is the ability of a leader to encourage a group of people (subordinates) to achieve a goal. Robbins in Suryadi (2008) defined leadership as the ability to influence a certain group to achieve goals. In companies, the indication of managers' leadership is their ability to provide motivation to employees in achieving company goals. From this point of view, leadership is very important for the company because it is directly related to the success of achieving company goals.

International business is a business activity that crosses national boundaries. As a consequence, managing an international business is more complicated than managing a domestic business because it has to deal with various differences in several aspects such as legal, political, social, and cultural aspects. Compared to the human resources at the domestic level, the complexity of the challenges in managing international business requires a higher qualification of human resources including the qualification for managers. Managers with high qualifications must always be ready to be assigned abroad.

Human resource managers who are assigned abroad must be able to lead employees with different cultural backgrounds. They are not just working on human resource management but a more challenging level that is international human resource management. The position of the managers assigned to foreign branches or in overseas subsidiaries are foreign managers because they have no idea about the things that they will face in the future. This is a challenge for foreign managers to prepare themselves to be leaders who have the skills to manage employees with different cultural backgrounds. Culture is a belief, values, rules, norms, symbols, and traditions that have been studied and are common to a group of people (Northouse, 2013). Cultural values can influence the attitudes and behaviors of the leaders when performing leadership. This is related to the leadership style of foreign managers when interacting with culturally different local employees.

Leadership style is the way leaders or managers influence subordinates or employees (Luthans, 2006). Each leader has a different leadership style to influence the subordinates in achieving goals. Leadership style will be effective if there is support from the conditions and situations which are in accordance with the expectations of subordinates who are usually

influenced by cultural factors. The application of leadership styles will be different in different cultures. Empirically, this is evidenced by Schonfeldt (2011) who found that the participatory style of Swedish expatriates was less acceptable to French employees who preferred an authoritarian style where power was entirely in the hands of the leaders and that they chose to be very distant from the leader. As a result, a problem arises when the decision made by the consensus from Swedish expatriates produces nothing. In addition to that, Swedish expatriates often get a negative response when interacting with French employees. These problems lead to interpersonal conflict and have a negative impact on companies due to organizational behavior incompatibility. Lumbanraja (2008) added that national cultural differences will cause frequent errors in interpreting or perceiving the attitudes and behaviors of the people who have different cultures. Therefore, an adjustment is a way out for foreign managers to find a balance with local employees.

This can be said as a cross-cultural leadership phenomenon. Cross-cultural leadership is a form of leadership where the leaders and subordinates who have different cultural backgrounds have an interaction (Lumbanraja, 2008). The success of foreign managers in implementing a cross-cultural leadership style is reflected in the good cooperation and relationship with the local employees so that it can realize the company's vision. On the contrary, if the foreign managers are failed to manage the company, it will result in a poor company's management. Even worse, these managers even decided to return to their respective countries before the international assignment ended. Given the expensive cost of their transportation and accommodations, this is a big loss for the company, the loss of market share, and the loss of relations with clients and local government officials (Cullen, 2009). In general, the failure of these foreign managers is triggered by cultural barriers such as the problem of stereotypes, ethnocentrism, cultural shock, and various other cultural issues. It is an important part of leadership effectiveness in international business to understand the culture and adaptability of foreign managers in cross-cultural practices.

The phenomenon of cross-cultural leadership also occurs in Indonesia. Indonesia is increasingly involved in a more global economy thus opening up a huge opportunity for the foreign managers who carry out international assignments. According to the Minister of Manpower, Hanif, the number of foreign managers in Indonesia as of the end of 2017 was 20,099 people (Detik Finance April 24, 2018, 16:10 WIB). Cross-cultural leadership practice is interesting to study and understand. The presence of managers from foreign countries certainly gives color to the company's survival. If the adjustments made by foreign managers are successful and if there is a match to the leadership style, it will create good interaction and cooperation between the leadership and subordinates. This can generate a good implication for the success of the company.

Noe et al (2011) describe the cultural dimensions of Hofstede's research who is a Dutch researcher and has developed an approach that has been widely referenced to conduct cross-cultural leadership research. Hofstede concluded that each country has different variations in the five dimensions of national culture. These dimensions are power distance: narrow or wide, collectivism: collective or individualistic, avoidance of uncertainty: strong or weak, masculinity: masculine or feminine, and orientation: long term or short term.

Based on the scores of Hostede's cultural dimension, there is a significant difference in the scores between Japan and Indonesia. In general, both of which have different cultural dimension values and can influence the leadership process. As Yukl (2010) have stated, cultural values and traditions can influence the attitudes and behavior of the leaders in a number of different ways. For example, leaders who have a collective culture tend to appreciate the participatory decisions from their subordinates. The comparative scores of cultural dimensions between Japan and Indonesia are as follows: Distance of power: Japan 54, Indonesia 78; Individualism: Japan 45, Indonesia 14; Masculinity: Japan 92, Indonesia 46; Uncertainty avoidance: Japan 92, Indonesia 48; Long-term orientation: Japan 80, Indonesia 25.

Referring to the background above, it is interesting to examine the leadership of foreign managers especially those who come from Japan because based on the research results, the cultural differences between the two countries are very distinct. Cultural differences

become a challenge for foreign Japanese managers to adjust the right leadership style and address cultural barriers to achieve success in the work.

## LITERATURE REVIEW

*Cross-cultural leadership as the ability of an individual (the leader) to intentionally and unequally influence and motivate members of a culturally different group toward the achievement of a valued outcome by appealing to the shared knowledge and meaning systems of that culturally different group* (Akiga dan Lowe, 2004). From this definition, cross-cultural leadership is described as the ability of a person or a leader to intentionally and unequally influence and motivate the members of different cultural groups to evaluate the achievements obtained by referring to the knowledge and meaning of the system from different cultural groups. According to Lumbanraja (2008), leadership that is applied in cross-cultural leadership is a form of leadership where the leaders and subordinates with different cultural backgrounds have an interaction. Luthans (2006) also wrote that there are a number of factors that potentially able to give an effective contribution to the differences in cross-cultural leadership processes. These factors include personal values, background, and personal skills.

From here, it can be seen that cultural differences in the leadership process distinguish cross-cultural leadership from traditional leadership. Cultural differences will influence the expectations of the subordinates in regards to the interaction of the leader. This is closely related to the leadership style that must be applied due to the differences in national culture between the leaders and subordinates (Lumbanraja, 2008). Based on the several explanations regarding the notion of cross-cultural leadership, it can be concluded that cross-cultural leadership is a person's ability to influence and motivate a different group of national cultures.

Researchers have tried various approaches to understand cultural differences and find appropriate leadership styles in cross-cultural contexts (Dorfman in Nagasawa, 2004). Many empirical studies show that authoritarian-democratic leadership styles can provide appropriate theoretical frameworks to see leadership styles in different cultures (Nagasawa, 2004; UNDP 2007; McCarthy, 2010). Bass in Nagasawa (2004) distinguish two concepts of leadership style in two clusters namely the authoritarian cluster (related to autocratic behavior, directives, and task orientation) and democratic cluster (related to supportive behavior, employee orientation, and consideration). Luthans (2006) emphasized that various styles of various theories and leadership studies can be incorporated into the classic leadership continuum of Tannenbaum and Schmidt. The leadership style proposed by Tannenbaum and Schmidt placed a management style along the continuum, ranging from autocratic to democratic with optimal style. It becomes a function of the time pressure where decisions will be made, leader capacity is shown, subordinate capacity is served, and the situation at hand is faced (UNDP, 2007). The advantage of the leadership continuum model is that this model provides leaders with a variety of choices for engagement when emphasizing the development and empowerment of employees (McCarthy, 2010).

Based on the purpose and context of the study, the researcher in this research used Tannenbaum and Schmidt leadership continuum theory which categorized two areas of leadership namely leader-centered (autocratic) and employee-centered (democratic) to analyze the cross-cultural leadership style of expatriate leaders.

For international and global companies that have a range of operations in various countries, the need for human resources that have cross-cultural competencies is urgently needed. Most of these companies will send competent employees to carry out international assignments. The foreign employee is given managerial duties. It is known that many assignments are given to direct the employee to be in the top management position or can be said to be the leader where the company operates in a country, thus giving rise to cross-cultural leadership practices. As leaders or international managers, foreign managers become actors and holders of major roles in the company's operations across countries (Siagian, 2006).

Depending on the approach used, companies have differences in the use of various types of international employees. Mondy (2008) believed that these approaches reflect the way the organization develops its human resource policies and the types of employees that are prioritized for different positions. There are four main approaches to providing global staff (Mondy, 2008), namely:

- Ethnocentric. An approach that prioritizes the staff from head office to fill the top-level position across the country;
- Polycentric. An approach that uses national hosts to fill all of the positions in the company;
- Regiocentric. Similar to polycentric, this approach consists of subsidiaries from regional groups which reflect the working strategy and organizational structure as a unit;
- Geocentric. A globally integrated business strategy approach. Regardless of its origin, the company strives to always hire the best people available for a position.

Luthans (2006) discovered three factors that influence cross-cultural leadership as follows:

- Personal values. Personal values possessed by the leader will shape the perceptions of the situation and influence the solutions to alternative problems and important decisions that will be taken. At the same time, the personal values of the followers also able to influence the leaders that these values have cross-cultural differences.
- Background of the leader. Educational background, family status, and social class are influential in the cross-cultural leadership process. In India, accepting authority from older people is important in which it arises a delegation of authority in many companies.
- Interpersonal skills. Each cross-cultural leader has different interpersonal abilities and styles. Leaders differ in their views of rules and procedures, authority, dependence, use of objectivity, intuition, willingness to compromise, and other interpersonal tactics.
- Yukl (2010) highlighted the factors that influence cross-cultural leadership such as:
- National culture variables. Cultural variables are internalized by the leaders who grow in the national culture. The values in these variables will influence the attitudes and behavior of the leaders in ways that may not be realized. The values are reflected in social norms on how people interact with each other. This norm talks about the form of leadership behavior that is acceptable.
- Situational variables. Leadership behavior is also influenced by other situational variables including the characteristics of the organization (such as the type, size, and climate of the organization) and the characteristics of managerial positions (such as the levels, functions, power, and authority of the managers).

Lovvorn and Chen (2011) mentioned other factors that influence cross-cultural leadership styles known as the factors in international assignment experience. Gregersen et al in Lovvorn and Chen (2011) defined international assignment experience as living and working in a foreign country that is carried out for at least one year. Meanwhile, Lovvorn and Chen (2011) proposed that executives who have completed international experience have increased capabilities in terms of scanning, regulating, and reorganizing a company's ability to respond to changes in the global situation. Briody et al (2012) also pointed out that many US companies need employees who have more international experience as a prerequisite for qualifying leadership positions.

This research emphasized three factors that influence the leadership style across expatriate cultures, namely international assignment experience, interpersonal skills, and national cultural values. The determination of these factors is based on this following consideration:

- Work experience and international assignments are considered as a more effective source to develop global leadership capabilities (Connor in Bosma, 2007). Some experts perceive long-term international assignments as the most powerful experience in shaping effective global perspectives and leadership (Bosma, 2007).

Briody et al (2012) stated that people with a global perspective and work experience have the ability to work in several cultural worlds.

- Interpersonal skills become one of the important parts of cross-cultural leadership where global leaders must be able to interact effectively with subordinates who have different cultures (Dickson, 2003).
- National cultural values and the characteristics of the host country where the company operates have a greater influence on management leadership style rather than personal values and situational variables (Byrne and Bradley, 2007).

Berry et al in Lumbanraja (2008) presented an adjustment model for foreign managers who experience a cross-culture when undergoing international assignments such as reaction mode, integration mode, and withdrawal mode. The following is an explanation of the three adjustment models:

- Reaction Mode. In this mode, foreign managers try to change the environment around them rather than changing their own behavior.
- Integration Mode. Foreign managers change their behavior to reduce the conflict in the company. This is the opposite of the reaction mode.
- Withdrawal Mode. In this third model, foreign managers try to reduce the conflict by withdrawing physically and mentally. In other words, the manager tried to avoid the problem.

This research focused on two adjustment models of foreign managers, namely the integration adjustment model and the reaction adjustment model. The two adjustment models are considered to be in accordance with the problem raised in this research that is to explain the adjustments made by foreign managers in applying cross-cultural leadership. Both of these models can explain whether foreign managers change the environment (reaction) or their own behavior (integration) in making adjustments to the local environment. The withdrawal adjustment model is not used in this research assuming that the withdrawal adjustment model is ignored for the transition of work roles because it is relatively impossible (Haslberger and Brewster, 2005). The withdrawal model in cross-cultural adjustments is an important choice when applied in the context of premature return or psychological withdrawal accompanied by social marginalization (Haslberger and Brewster, 2005). Social marginalization leads to a low assessment of a relationship with another group (Haslberger and Brewster, 2005). Based on the research objectives, the reaction adjustment model and integration adjustment model are considered appropriate to be used in this research.

*Constraints in Cross-Cultural Leadership.* Luthans (2006) suggested three problems that contribute to the constraints in conducting cross-cultural leadership which include perceptual problems, stereotyping problems, and ethnocentric problems. The following section is an explanation of each problem.

Perceptual problem. Perception is a complex cognitive process that produces a unique picture of the world which may be somewhat different from reality. The appreciation of the differences between the perception world and the real world is important to understand organizational behavior. For example, the general assumption made by managers is that employees always want promotions even though in reality, many employees feel psychologically forced to accept promotions.

Stereotypical problem. Stereotypes are the tendency to judge others based on a class or category. This is a simple and famous way to build assumptions about other people's profiles.

Ethnocentric problem. Ethnocentric refers to the sense of superiority owned by the members of a particular culture. When people interact with others in an international context, ethnocentrism can cause communication problems. These are some examples of actions of ethnocentrism:

- Frustration with languages, foods, and local customs;
- Too quickly judge the local people odd and inefficient in doing things rather than trying to understand what happened rationally;

- Tends to form a group with individuals who share the same culture to share the difficulties faced rather than socializing with local people to find out what the culture really is.

Therefore, this research is also focused on the two obstacles in implementing cross-cultural leadership styles which are stereotypical problems and ethnocentric problems. When carrying out cross-cultural leadership, self-effectiveness depends on the efforts of a leader to maintain an open mind towards subordinates who share different culture. People with ethnocentric and stereotypical attitudes tend to do things on a limited, general, or inaccurate basis and even tend to develop a behavioral bias towards other groups (Bovee and Thill, 2005). Many people fall to ethnocentrism and stereotyping so that most people of different cultures tend to misinterpret the actions of others (Bovee and Thill, 2005). Based on this explanation, the problem of negative stereotypes and ethnocentric problems is assumed to be the two right concepts to show the cross-cultural constraints experienced by expatriate leaders in this research.

## **METHODS OF RESEARCH**

This is descriptive research conducted with a qualitative approach. In descriptive research, the data are collected in the form of words, images, and not numbers. These data are likely to be the key to what has been studied so that the research report will contain excerpts of data to illustrate the presentation of the report (Moleong, 2011). A qualitative approach is an approach that is intended to understand the phenomena experienced by the subject of research (such as behavior, perceptions, motivations, actions, etc.) holistically and descriptively in the form of words and language in a specific natural context by utilizing various scientific methods (Moleong (2011). Purhantara (2010) also confirm that the problem in qualitative research is raised from phenomena that occur and are associated with theory and literature review.

By using qualitative-descriptive research, the cross-cultural leadership style performed by foreign managers from Japan in a branch company in Indonesia was described. Through this approach, researchers have more interaction with the facts studied. The results of this research were presented through quotations from data collection which are then analyzed and discussed based on the theory and then jumping into conclusions. This research took place in a Japanese branch company in Indonesia that assigns managers from Japan.

The first focus of this research was the description of leadership style perceived by the foreign managers based on the theory of leadership continuum from Tannenbaum. The leadership style is categorized as autocratic (leader-centered) if there was an indication that the decision making is entirely controlled by the leader, the interpersonal communication is done formally through the hierarchy, and there is no effort to empower employees. Whereas the leadership style is said to be democratic (employee-centered) if the decision-making involved the participation of employees, the interpersonal communication is performed formally, informally, vertically, and horizontally, and there is empowerment for employees. The second focus illustrated the factors that influence the leadership style of foreign managers by looking at the aspects of experience, national cultural values, and interpersonal skills. Meanwhile, the third focus was placed on the adaptation model of the foreign managers. The adaptation model is called the reaction model if foreign managers applied their own leadership style with no adjustments and established various regulations for the company according to the will of the leader. But on the other hand, the adaptation model is said to be an integration model if foreign managers changed the leadership style based on the conditions of local employees and ruled the company according to local regulations. Last but not least, the fourth focus was the obstacles experienced by foreign managers. The constraints can be in the form of negative stereotypes to the employees or ethnocentric problems with several indications of local languages frustration. Besides that, it can also be in the form of judgment that local staff was strange and inefficient in doing things.

This research used several methods of data collection including observation, interviews, and documentation. The observation was used in this research to observe the

behavior of foreign managers in interacting with local employees in the company. Interviews were conducted with foreign managers to obtain data related to the research focus. The documentation method referred to in this study was the documents about foreign managers. In accordance with the method of data collection, the research instruments were the researchers, interview guides, notebooks, and recording devices.

The technique of data analysis used in this research adopted the analytical technique proposed by Miles and Huberman in Sugiono (2013) known as the interactive model. The data analysis began with data reduction that is choosing the main things related to the focus of the research. After the data were reduced, the next step was to present the data. At this stage, the data that has been obtained was presented in the form of narrative texts and also tables according to the focus of the study. Furthermore, the third step in data analysis was the analysis of results based on related theories.

## RESULTS OF STUDY

Based on 3 indicators of decision-making which involve employees, employee empowerment, as well as formal, informal, vertical, and horizontal interpersonal communication, the leadership style used by foreign managers is democratic.

The main factor influencing the leadership style of foreign managers from Japan was Japanese national culture such as time discipline, careful decision making, and hierarchy. Another factor that influences the leadership style of foreign managers is an international experience where the strengths in that experience make them more flexible in work. The factors of interpersonal ability also influence the leadership style of foreign managers where the advantages of interpersonal skills make them not emotional when dealing with employees who are careless making them have good interaction skills with subordinates.

The model of adaptation practiced by foreign managers is integration model because they change the leadership style according to the conditions of local employees and make policies based on local regulations.

Foreign managers experience stereotypical constraints especially at the beginning of their assignments. At first, they considered that local staff paid little attention to cleanliness and lack of time discipline in work. After one semester, they did not see any problems with the local staff. They assumed that local staff is disciplined enough, neat, and friendly. Foreign managers experience little ethnocentric constraints. This can be seen from the difficulty of local languages. It can be solved by the presence of translators or by talking in English. Besides that, they judge that the attitude of the employees is inefficient without finding out the cause.

*Foreign Managers' Leadership Style: Decision-Making.* From the results of the study, it is known that foreign managers need some inputs from employees before making a final decision. They raise problems and ask subordinates, especially from middle-level staff, to participate in solving a problem in the form of information, opinions, and suggestions for the way out. For example, before determining the number of incentives, foreign managers ask their subordinates related to this matter.

Yukl (2010) asserted that leaders who make their own decisions after considering subordinates' advice are a form of consultation in decision-making. Luthans (2006) also illustrated that in consultation participation, the managers ask and accept employee involvement but they retain the right to make decisions. In this research, it is known that foreign managers at the corporate level make consultative decisions with employees before making a final decision.

Seen in the concept of leadership continuum, this leadership style leads to the fifth continuum where leaders present problems, ask advice from subordinates and make decisions. According to Yukl (2010), such practice of decision-making is used to improve the quality of the decisions by absorbing the knowledge and problem-solving skills of subordinates.

The Ohio study defined by Yukl (2010) showed that consulting behavior carried out by leaders and the willingness to accept suggestions from subordinates is a consideration

leadership behavior. This Ohio State consideration behavior is similar to the relationship orientation behavior in Michigan leadership studies.

In the path-goal theory, this consultation is included in participatory leadership style. Participatory leadership is where the leaders ask and use the advice from subordinates but still become the decision maker (Luthans, 2006). The advantage of this technique is that everyone can make a significant contribution to the organization's goals (Luthans, 2006).

The results of the study also revealed that foreign managers not only conduct consultations but also respond to the input from employees. This indicates that they do not do pseudo-participation (fake participation) as stated by Luthans (2006) that many managers conduct consultations, but when subordinates give input, subordinates are ignored and do not receive feedback. From the results of this research, it is known that the participation-consultation technique works effectively and able to improve employee satisfaction.

*Foreign Managers' Leadership Style: Empowerment.* Empowerment is the authority to make decisions in the area of one's responsibility without asking for the approval of others (Luthans, 2006). The purpose of empowerment is to ensure that the subordinates have made the best effort and work based on the goals, taking the responsibility for each other (Luthans, 2006). From the results of the research, it is found that foreign managers made efforts to empower local employees. The empowerment is carried out by giving responsibility to local employees as well as the authority to business-level decision making in each department that is handled by a local manager. Luthans (2006) expressed that empowerment can bring innovation because employees have the authority to try new ideas and make decisions that produce a new alternative. Furthermore, Luthans (2006) also stated that employees who are empowered will feel that "we are together in it", making them full of responsibility.

Seen in the concept of leadership continuum, this leadership style leads to the seventh continuum. In the seventh pattern, leaders allow subordinates to carry out their functions within the limits set by them.

Based on the motivation theory from Douglas McGregor, foreign managers adhere to the Y theory that is developing trust in employees by assuming that employees have self-motivation and accept responsibility for achieving the goals as it becomes their commitment from the beginning of working in the company.

In the theory of path-goal, empowerment is a form of performance-oriented leadership. Performance-oriented leadership is where the leaders set the goals to challenge the subordinates to push their confidence in doing the highest level of work as possible (Luthans, 2006; Northouse, 2013). It is assumed that the higher the achievement orientation of the leaders, the more confident the subordinates that their efforts produce effective performance (Luthans, 2006).

*Foreign Managers' Leadership Style: Interpersonal Personal.* Interpersonal communication is a communication that emphasizes the transfer of information from one person to another (Luthans, 2006). Interpersonal communication is very important in an organization because the amount of information and response is quite high. From this research, it can be known that interpersonal communication has been established well between foreign managers and local employees. This is indicated from the communication that is not rigid, conditional, can be direct, and can be structural. Each employee can deliver oral information about the company directly to the leader. When giving special assignments, downward communication is also carried out directly by foreign managers to subordinates.

Theoretically, the general purpose of downward communication is to provide specific direction regarding work instructions, to serve information about organizational practices, and to notify employees concerning their performance (Katz and Kahn in Luthans, 2006). This pattern of communication is a characteristic of communication in democratic leadership (Wirawan, 2013). Curtis in Suryadi (2008) explained that democratic-style communication encourages the development of relationships that are caring and open, enabling various ideas to flow freely, vertically, and horizontally. In the theory of path-goal, interpersonal communication is included in the category of supportive leadership. Supportive leadership is where the leader has a friendly attitude, approachable, and shows sincere attention to subordinates (Luthans, 2006).

Based on the three indicators of decision-making, employee empowerment, and interpersonal communication, the leadership style used by foreign managers is democratic. The application of democratic leadership style from these foreign managers to Indonesian local employees is proper because according to the GLOBE (Global Leadership and Organizational Behavior Effectiveness), Indonesia has a high value on humanitarian orientation and group collectivism (Northouse, 2013). Humanitarian orientation emphasizes sensitivity to others while group collectivism highlights the loyalty in the organization. Likewise, the cross-cultural research from Hofstede in Noe et al. (2011) found that Indonesia had a high collectivity (low individual level) and tended to be feminine by prioritizing relationships (low masculine level). Both studies show that Indonesia has a character that emphasizes humanity so that an employee-centered leadership style or democratic style is appropriate.

*The Influencing Factors of Foreign Managers' Leadership Style: National Cultural Values from Native Country.* Yukl (2010) informed that national cultural values and traditions can influence the attitudes and behavior of leaders in a number of different ways that may not be realized and are reflected in social normality about the way people relate to one another. The value of Japanese culture is portrayed with the attention in opening a conversation. Kusherdyana (2011) believed that Japanese people have a habit of not saying directly what they think and what they want. They avoid talking about a problem in order to maintain harmony, especially with outsiders. This form of consideration (*enryo*) is a value that is highly upheld by Japanese culture. They often pause for a moment while talking. According to Khadiz in Mulyana and Rachmat (2010), small rituals like that are part of a typical Japanese communication style.

*The Influencing Factors of Foreign Managers' Leadership Style: Previous International Experience.* Empirical studies conducted by Marshall-Mies et al. in Yukl (2010) proved that metacognition is important for leadership effectiveness. Metacognition is the ability to learn from experience and adapt to change. Stoner in Sopiah (2008) said that one of the factors that influence the effectiveness of leadership style is the experience of past leaders. Yukl (2010) also argued that familiarity with technical problems, products, personalities, and cultural traditions is a kind of knowledge that is only obtained through long experience in an organization.

The ability to learn from past experience especially the experience of managing an international business will improve the cultural sensitivity of the foreign managers. Cultural sensitivity or cultural empathy is awareness and sincere attention to other cultures (Waspoedo and Handaru, 2013). Cultural sensitivity gives the leaders an ability to develop policies that are in accordance with local conditions and to determine how to control special situations with international dimensions. The most important thing about good cultural sensitivity is that it can help foreign managers to adapt to new environments. Besides, it makes them willing to understand different cultures, making it easier to motivate and influence the subordinates who share different cultures. The results of this study show that this experience learning influences the leadership style of foreign managers to be adaptive.

*The Influencing Factors of Foreign Managers' Leadership Style: Interpersonal Skills.* Yukl (2010) wrote that interpersonal skills consist of the knowledge of human behavior and group processes as well as the ability to understand the feelings, attitudes, and motivations of others. Meanwhile, Luthans (2006) underlined that interpersonal skills are one of the factors that potentially contribute to the cross-cultural leadership process. From here, it can be said that foreign managers try to maintain a good working relationship with the subordinates by having a good interaction and never be emotional to employees. As explained by Yukl (2010), strong personal intelligence helps a manager to deal with subordinates in an attentive and sympathetic way by not judging them with complaints or criticism.

*Adaptation Model of the Foreign Managers.* Berry et al. in Lumbanraja (2008) suggested 3 models of adaptation namely the reaction mode (changing the environment), the integration mode (changing the behavior), and the withdrawal mode. From this research, it is found that foreign managers applied the integration adaptation model. The indication is that

they make adjustments to their leadership style and make regulations according to the company's local situation.

*Constraints Experienced by Foreign Managers: Stereotypes.* Stereotypes are the generalizations about attitudes, beliefs, or opinions about people who come from different cultures (Kusherdiana, 2011). Basically, each individual has its own characteristics which are generally different from the existing stereotypes, however, most people have stereotypes by assessing them as a whole (Luthans, 2006). Stereotypes can be positive or negative. Positive stereotypes can help someone interact with people of different cultural backgrounds (Northouse, 2013). Negative stereotypes can make organizational members have inferior anxiety or decreased expectations (Luthans, 2006).

This study shows that there is an indication of negative stereotypes from foreign managers to local employees. Foreign managers have stereotypes by making generalizations that all local staff are lack of time discipline in carrying out their tasks, without looking at the person of each individual. Local staffs who have more disciplined behavior may be offended to find the same stereotype as undisciplined local staff.

Foreign managers also have a stereotype that all local employees do not pay attention to cleanliness so that local staff is also not disciplined in maintaining the cleanliness in the work environment. These foreign managers teach all staff to have attention to cleanliness where they do not hesitate to warn the employees in regards to the hygiene issues.

*Constraints Experienced by Foreign Managers: Ethnocentrism.* Ethnocentrism is a perception that one's own culture is better than the culture of others (Northouse, 2013). Foreign managers who experience ethnocentrism see and measure foreign cultures with their own culture (Mulyana in Kusherdiana, 2011). When people interact with others in an international context, ethnocentrism can cause communication problems (Luthans, 2006). A leader is difficult to avoid the problem of ethnocentrism (Northouse, 2013). In this study, the indications of ethnocentric were seen in two things namely in the frustration of local languages and in the judgment that the employees are inefficient in work. This indication was adapted from Luthans (2006).

Referring to the results of the study, it is revealed that foreign managers considered the Indonesian language to be difficult so that it becomes their obstacles in communicating with local staff and makes them frustrated. To cope with the language difficulties, foreign managers use English and the company also provides interpreters to bridge that language differences. Foreign managers assume that the employees are inefficient, have passive behavior, are lack of awareness of job responsibilities, and are lack of action. They consider that local employees have an inefficient attitude without finding out the cause. According to Luthans (2006), one of the actions in ethnocentrism is rather than trying to understand rationally what happened, the foreign managers overly judge the local people on how they do something oddly and inefficiently. Northouse (2013) stated that the more ethnocentric the leaders, the less open the leaders to other cultural traditions and practices.

## CONCLUSION

Based on the results and analysis of the research, it can be concluded that 1. The leadership style of the foreign managers is a democratic leadership style; 2. The factors that influence their leadership style are the cultural values from each respective country, previous international experience, and interpersonal skills; 3. Their adaptation model is an integration model; and 4. The constraints experienced by them lie in the problem of negative stereotypes and ethnocentrism. Their negative stereotypes are shown by the generalizations that local employees are not disciplined in time and lack of cleanliness. Whereas, the ethnocentrism of these foreign managers can be seen in the frustration of the local language and the judgment that local employees are inefficient.

Based on the results as explained above, it can be seen that the leadership style of the foreign managers is already effective in mobilizing subordinates thus it is suggested that foreign managers can maintain the leadership style.

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