Similarities and Differences
in Managerial Judgement
Around the World

Max Choi, Alan Howard and Nina Krig
Pages: 229—250
Similarities and Differences in Managerial Judgement Around the World

Max Choi, Alan Howard and Nina Krig

Abstract

This chapter reviews key research on the similarities and differences in leadership and management across different regions of the world. It also looks at similarities and differences on other relevant aspects i.e. commitment, work values, personality, and emotional intelligence. Research has tended to focus on drawing out the differences as that appears to be worthy of news and attracts interest. We also report on the types of errors in research which might actually make real differences appear much larger. The reality is that what we find is a great deal of similarity in leadership and management behaviour across the different regions of the world. Given these similarities can we develop a management level Situational Judgement Test (SJT) that can be used effectively across different world regions? We believe this can be achieved by identifying SJT items that work consistently across world regions, and then assembling a bias-free test with robust psychometric properties.

INTRODUCTION

Alberto Misa is an effective senior manager working for a German multinational corporation who travels to many other sites in different countries to support business activities. When overseas, he leads local teams and interacts with many people. Even when Alberto is office-based in Hong Kong, he manages a diverse team of individuals from different nationalities and he is always interacting (face-to-face, phone, emails, text, video conferencing, formal correspondence) with many different nationalities with backgrounds and cultures very different to his - he was brought up and educated in Mexico. When interviewed for tips on being effective in such a diverse work environment he said: “Well I guess I make an effort to understand and respect cultural differences and adapt my style accordingly but you can never be an expert in that area. So I believe that people – wherever they are from - will take me more seriously and respectfully if I try to hold the values and behave in the way they expect from a decent manager.”

We are interested in the similarities and differences in management and leadership practices across countries and cultures worldwide. In this chapter we will argue that the increasing convergence of these practices and styles across the globe is inevitable as multinational businesses continue to expand their operations, and as managerial talent increasingly migrates towards the best employment opportunities. As a consequence the number of nationalities seeking to work effectively together will increase. For example, a recent survey of nationalities living and working in United Arab Emirates (UAE Ministry of
Labour, 2007) estimated that 202 nationalities were working together there. Understanding
the similarities in management and leadership practices across national boundaries will
therefore become increasingly important. At the same time however, we acknowledge that
many aspects of leadership and management currently differ across countries and cultures,
and that understanding difference is also key to effective international leadership and
teamwork.

We will also argue in this chapter that it is possible to produce universally applicable
assessment tools that can be used to identify and develop managerial talent in different
nationalities and cultures around the world. With care, it might even be possible to use
such tools to compare individuals across national and cultural boundaries, an approach that
will be useful to multinational organisations who wish to directly compare candidates or
participants from different countries against one another e.g. for selection, promotion or
talent audit purposes. However, the development of any tool, method or approach for
assessing leadership and managerial behaviour in an international context would need to
take into account the significant body of research and empirical findings on cultural
differences in leadership and management behaviour as is presented in this chapter.

There is a long research tradition in uncovering and describing the undeniable cultural
differences, including differences in leadership and managerial behaviour. Indeed, the
research tends to focus more on the differences rather than the similarities, possibly
because the differences intrigue people and the similarities may not be seen as such exciting
news.

DIFFERENCES IN MANAGERIAL JUDGEMENT ACROSS CULTURES

There are many studies that could be cited here. However, setting the scene, Kluckhohn
and Strodtbeck’s (1961) value orientation theory suggests that the problems encountered
by societies are similar across all cultures, but the way that these problems are actually
dealt with and resolved are different due to the differences in cultures.

Hofstede (1980) is often cited by researchers in the field of intercultural management. He
produced an influential framework for explaining differences in national culture consisting
of 4 main factors. He later added a fifth factor (Hofstede 1991). The five factors are:

- power distance, or the extent to which societies accept that power in institutions
  and organisations is and should be distributed unequally;
- Uncertainty Avoidance, or the extent to which societies feel threatened by
  ambiguous situations and try to avoid them;
- Individualism/Collectivism, or the extent to which individuals are integrated into
  groups
- Masculinity/Femininity, or the extent to which dominant values are “male” values
  such as assertiveness, the acquisition of money and goods, and not caring for others
- long-term versus short-term orientation, related to deferment of gratification.

Hofstede (1991) gathered data that enabled over 50 countries to be ranked on the first four
factors. Data was later gathered (Hofstede, 1991) for a similar ranking of countries on the
fifth factor (long-term versus short-term orientation). He demonstrated that there were significant differences between countries based on these five factors but some countries were similar, so from this research it was possible to group countries according to cultural similarities, and to provide practical guidance on how to adjust one’s leadership approach when moving from one group of cultures to another e.g. from the US to the Middle East.

Perhaps the other most widely cited and significant study into cultural differences in management and leadership is the Global Leadership and Organisational Behaviour Effectiveness research programme – known as the GLOBE project (House et al 2004) which involved 17,000 managers in 62 societal cultures. After a review of the available literature, especially the work of Hofstede, Trompenaas, and Kluckhohn and Strodtbeck, GLOBE conceptualised and developed measures of nine cultural dimensions: Performance Orientation, Assertiveness, Future Orientation, Humane Orientation, Institutional Collectivism, In-Group Collectivism, Gender Egalitarianism, Power Distance, and Uncertainty Avoidance. These are aspects of a country’s culture that distinguish one society from another and have important managerial implications (Javidan et al 2006).

GLOBE was able to empirically verify ten culture clusters from its 62-culture sample. These clusters were identified as: Latin America, Anglo, Latin Europe (eg Italy), Nordic Europe, Germanic Europe, Confucian Asia, Sub-Saharan Africa, Middle East, Southern Asia and Eastern Europe. Each culture cluster differs with respect to the nine cultural dimensions e.g. Performance Orientation (Javidan et al 2006) and therefore would have a unique profile on the nine cultural dimensions. Interestingly, we will see later that the GLOBE project also found convergence on some aspects of leadership when they looked in more detail at the many different leadership attributes.

Wendt et al (2009) examined the relationship between leadership and team cohesiveness in different cultures, and found that in individualistic societies i.e. societies where employees are perhaps less integrated into groups or extended teams, managers use less directive and less supportive leadership behaviour than in collective societies. Leaders moving from an individualistic culture as typically found in the West, to a more collective culture such as India, will notice a different set of team leadership demands to those they have been used to. For example, a more parental and controlling style of leadership may be expected of the leader.

Even within one world region e.g. Europe, cultural differences in leadership and management practices can exist. For example, Brodbeck et al (2000) outlined cultural variation in leadership prototypes across 22 European countries. Concepts of leadership differed as a function of cultural differences in Europe, and it was possible to cluster European countries’ leadership prototypes according to prior cross-cultural research (Ronen and Shenkar 1985).
SIMILARITIES IN MANAGERIAL JUDGEMENT ACROSS CULTURES

We will cite a selection of studies that demonstrate that there do indeed appear to be similarities in leadership and management practices across nationalities. The acceptance of this principle then allows one to work with an identified common “core” of similar practices. One way practitioners can work with this common “core” is in the selection and development of individual leaders and managers working in an international context, which is becoming a more and more common requirement. We will also cite studies that demonstrate that similarities can also be found in related aspects of human psychology such as personality and emotional intelligence. We will start by presenting evidence based on commitment and values.

Evidence from Commitment & Values Research

Hattrup, Mueller, and Aguirre (2008) using data from two large multinational samples, researched organisational commitment, which is defined as the loyalty and responsibility that an employee has towards the goals of the organisation. They concluded that differences in organisational commitment across national boundaries are relatively small and that Nation-level Individualism or Collectivism failed to account for the observed differences. Hattrup, Mueller, and Joems (2007) conducted research on work values in three German multinational organisations operating globally. Work values are defined as the beliefs about the importance or desirability of particular outcomes of working e.g. there are extrinsic work values like achieving status, and a high income, and there are intrinsic work values like developing new skills, building relationships with colleagues, and helping others. They found that comparisons of value importance across nations and organisations indicated substantial similarity. Hence, the research evidence indicates that underlying organisational commitment and values across cultures are often very similar. We will now look at how that translates to wider leadership behaviours.

Evidence from Leadership Research

Javidan et al (2006) postulated that a great US leader could turn out to be one of the following in another country like Brazil: a) a great leader b) a leader offering little value, or c) a leader creating a lot of damage. If the other country is culturally very similar to the US then there will be a good chance he will emerge as a great leader. If the other country is very culturally different then there may be a chance that b) or c) could result as the leadership skills might be inappropriate. However, even where there are significant cultural differences it might be the case that the US leader could still be highly effective. How could this be? This is perhaps because although there are differences, there are also significant similarities. Indeed, 22 attributes have been identified by the GLOBE project as being universally desirable or universally undesirable. Desirable attributes included being trustworthy; having foresight and planning ahead; being positive, dynamic, encouraging, motivating; being communicative, a co-ordinator and team builder. Undesirable attributes included being a loner; being non-co-operative and irritable; and being dictatorial.
Identifying such universal desirable and undesirable leadership attributes is useful. Such similarities give some degree of comfort and ease to leaders and can be used by them as a foundation to build on.

Van Emmerik et al. (2010) examined leadership behaviour in over 12,000 participants in 32 countries. Three predictors of leadership behaviour were used: individual, organisational, and societal differences. Depending on the aspect of leadership behaviour being predicted, the percentage variance explained was: individual differences 79-93 per cent, organisational differences 5-11 percent, and country differences 2-10 percent. So it seems that across countries there may be more similarities than differences.

Javidan and Carl (2005) researched Canadian managers from a telecoms organisation and Taiwanese managers from a steel and an insurance organisation. Hence, there are notable differences in the samples so any differences may not be just due to culture or geography. Hofstede (1980) had already identified differences between these two countries i.e. Taiwan is more hierarchical with managers making decisions; avoiding risk; there is a sense of organisational belonging; they seek job security & cooperation. Whereas Canadian managers use a participative style in their decision making; neither seeks or avoids ambiguities; they are highly independent of the organisation preferring to have personal time, freedom, and challenge; they seek advancement, high earnings, training and being kept up-to-date.

Factor analysis was conducted on the results of subordinates rating their managers on a 124 item leadership questionnaire and although there were differences noted, it also revealed that five of the eight factors that emerged were the same i.e. Visionary, Auditor, Symbolic, Ambassador, and Self-Sacrifice. This demonstrated that there were high similarities in leadership attributes in these two very different countries with different cultures. They also identify that three of the factors loads onto Charismatic Leadership and this might have importance for global leadership. Top leaders need to assess the environmental changes taking place not just in domestic markets but also in understanding the competition and business operations in international markets. They argue that the similarities may be enhanced by a faster pace of technological change and globalisation. This is endorsed by Hogan and Benson (2009) who argue that “the principles of leadership are formal – they apply to any organisation anywhere at any time” (p.11-34). They cite Bass (1997) and Campbell (2006) in support of this position.

Bass (1997) accumulated supporting research data that showed that transactional-transformational leadership concepts universally existed across cultures i.e. that the same concepts of leadership and relationships can be observed in a wide range of organisations and cultures. The linkages among the concepts may strengthen or weaken as one moves from one culture to another e.g. Indonesian leaders need to persuade their staff that they are competent, a behaviour that would appear alien in Japan. However, the underlying concepts of transformational leadership were universally recognised and seen as effective in all cultures.

Campbell (2006) referred to the phenomenon of globalisation which is more due to the challenges leaders face as a result of the speed of change made possible by permeable
boundaries rather than globalisation per se. He identified nine universal leadership competencies that transcend cultural differences. The first six competencies (vision, management, empowerment, diplomacy, feedback, and entrepreneurship) can be shared or delegated. Then there are three personal competencies: personal style, personal energy, and multi-cultural awareness. The latter is about being experienced and comfortable when working with diverse individuals in global organisations cutting across geographical, cultural and ethnic boundaries. Obviously, our globe-trotting Manager, Alberto Misa has some of this!

Wendt et al (2009) researched 140,000 employees from 615 companies around the world and found that leaders use supportive leadership considerably more than directive leadership. Although they found cultural differences, these differences might be more noted in the eyes of visitors. According to managers and employees, managerial behaviour shows remarkable similarities with respect to supportive and directive leadership across the world. In particular, supportive leadership is seen as important, regardless of cultural context.

Similarly, Bartram (2009) found that, based on self-report, there were only small differences in leadership competency potential profiles across eleven European Countries. What effects there were in this regard, were small in comparison to the effects found for managerial experience or the effects of gender.

The above leadership research studies provide evidence that although there are cultural differences, there are actually large similarities between the different cultures when it comes to leadership behaviours.

**Evidence from Emotional Intelligence Research**

Maddocks (2011) found that there were no overall differences between seven continental groups in emotional intelligence (Africa, Asia, China, Europe, Oceania, North America, South America) as measured by an EI questionnaire. The finding that there are no overall differences in EI between continents is perhaps not surprising as EI represents the management and control of underlying emotions, feelings, and attitudes. All managers in the different continents are able to manage these emotions to about the same degree although we see some culture variations for specific scales. For example, people in Africa, Asia, and China are more controlled and reserved in expressing their feelings.

Reilly & Karounos (2009) surveyed international sales managers from four cultural clusters (Anglo, Latin European, Eastern European, and Southern Asia) to assess the role of emotional intelligence (EI) in determining leadership effectiveness. The results confirmed that EI is valued more highly than technical skills and cognitive skills and this was consistent across the culture clusters. Of 11 individual Leadership Attributes, Transformational/charismatic and Social Skills were typically rated consistently as the 2 most important across the cultural clusters. This provides evidence that irrespective of the culture, transformational leadership and social skills are seen to be successful leadership behaviours.
Evidence from Personality Research

Studies on the Big Five Personality Factors have shown that the same underlying personality dimensions are found consistently around the world, though individual countries can contrast / vary on the amount of any dimension (Thompson, 2008). Bartram et al (2010) researched personality using the Occupational Personality Questionnaire (OPQ). They conducted research on three very different geographical countries i.e. the UK, South Africa and China, and they found good construct equivalence supporting the invariance of the instrument across very different cultures and languages. Differences on OPQ32i scales (stens) between the three country samples were generally small and did not exceed a medium effect size (1 sten) compared to the overall mean. The same underlying personality dimensions are found consistently across different cultures and countries. Whilst countries do vary on the amount of any dimension, differences are typically small.

RESEARCH SUMMARY

In summary then, research has shown that many similarities are found across countries and cultures in organisational commitment, work values, aspects of leadership and management behavior, and in related aspects of human psychology such as personality and emotional intelligence.

We would go on to argue that over time, due to the phenomenon of globalisation, these similarities may be further enhanced. Also, leading Business Schools are educating managers all over the world in the latest management techniques, hence there will be common management concepts and leadership approaches that will be applied universally.

In considering similarities and differences in leadership behavior across cultures, it is useful to be aware of the thinking in recent decades on leadership. Alimo Metcalfe and Alban Metcalfe (2008) reviewed the changes in leadership emphasis over the decades i.e. visionary leadership in the 70s and 80s after the recession; charismatic/passionate leadership; transactional and transformational leadership. They then reviewed the Post 9/11 and Enron period with elements of the dark side to heroic/charismatic leadership with its potential ‘toxicity’ where leaders are willing to destroy their people and their organisations for personal gain (citing Lipman-Bluman, 2004). Alimo Metcalfe concluded that heroic leadership has had its day and put forward Engaging Leadership suggesting that the challenge is to increase people’s effectiveness through effective motivation and having consideration for their well-being. They researched 740 managers and showed that ‘engaging with others’ was a better predictor of staff morale and well-being than other measures, and that ‘engaging leadership’ significantly predicted the team’s productivity. Although this recent finding is western research rather than cross-cultural research, many of the research findings cited above tend to lend support to ‘engaging leadership’ as a global phenomena e.g. many of Javidan et al’s (2006) positive attributes; Wendt et al’s (2009) supportive leadership; and Reilly & Karounos’ (2009) EI research where transformational/charismatic & social skills were relatively universal. We therefore welcome more specific cross-cultural research on ‘engaging leadership’.
ARE OBSERVED DIFFERENCES ACROSS CULTURES REAL OR DUE TO MEASURING ERROR?

When we find differences across cultures it is easy to assume that the differences are real cultural differences. However, there can be a host of other reasons to account for some or most of these differences. We will focus on the relevant aspects as related to test and questionnaire construction. When new tests are developed it is customary that reliability and validity are reported. Vijver & Tanzer (2004) argue that for tests being used across different countries and cultures, they should also report on bias and equivalence. Bias will report on whether there might be bias due to construct, the test administration procedure, and also the content of the test. Equivalence will check that the scores obtained can be sensibly compared across cultures.

Harzing et al (in press 2012) examined the extent to which people from different countries may have different response styles when they respond to questionnaires i.e. there may be a tendency to have an underlying systematic response to questionnaire items regardless of their content. Therefore international researchers might draw erroneous conclusions that particular country respondents are different on the phenomenon under investigation, while in reality the groups only differ in terms of their response styles. They found that respondents with an East Asian (Chinese) background are more likely to use the middle ranges of a scale (MRS) while respondents with a Western background (Australian and German in particular) are more likely to use the extremes of a response scale (ERS). In an earlier study Harzing (2009) investigated response style in 16 countries and demonstrated that they could reduce response bias and language bias by increasing the rating scale from 5 to 7. Some Situational Judgement Tests (SJT) only use a 4-point scale e.g. (-2) Highly Undesirable, (-1) Undesirable, (+1) Desirable, (+2) Highly Desirable. In our research we used a 6-point scale for our test, preferring not to use 7 as that would introduce a middle ‘sit on the fence’ scale which we wanted to avoid. Our research also indicated that experts rarely saw the neutral /middle response as the correct answer to a situation. Collectivistic countries (in the East) tend to use MRS and Individualistic countries (in the West) are more tending to use ERS.

Another influencing factor on the way respondents use the rating scale when completing an SJT is the level of knowledge of the respondent. If the respondent is highly knowledgeable on the subject matter then there will be greater ERS whereas if the respondent is low in knowledge then there will be a tendency for greater MRS i.e. playing safe and giving a mid response as one does not really know the answer. For SJTs it will be the level of confidence in knowing what to do, rather than the level of knowledge, but the same principle applies. In our research we have taken these findings into account in that in some countries there are issues of response styles. Hence, one of the scoring changes we have introduced to the new version of our test is to give a few items two adjacent correct answers e.g. before the correct answer was -3, but now both -3 and -2 is scored as correct (after confirming with the ‘expert’ data i.e. including -2 as correct is valid). This has helped to improve the scoring for regions like the Far East and India Sub-continent which are more Collectivist and having a tendency to use MRS and hence more likely to avoid using the -3 or +3 scales as much as Individualistic country respondents.
There is also a need to ensure that language is not an issue. Zander, Mockaitis and Harzing (2011) investigated a scenarios-based instrument in 17 countries where half completed in English and half completed in their native language. This allowed them to check whether translated SJTs work and whether differences are due to language issues or real culture effects. They found there were no significant differences between the language versions and therefore any differences between countries were due more to culture and gender than language. Therefore the instrument can be presented in English or the well translated native language, and it should make very little difference. The research also indicates that some leadership decisions do have cultural influences and we need to be wary of these and exclude these from an international instrument.

**CULTURAL PERSPECTIVE – INSIDER AND OUTSIDER VIEWS**

Jahoda (1995) clarifies the need to pursue both an Emic and Etic approach to cultural research. Emic relates to an approach to understand cultures from the unique perspective of the insider view, and Etic relates to an approach to understand cultures from the perspective of the outsider view and that there are objective dimensions through which cultures can be compared.

Burke (2011) conveyed the need to have a clear theory behind the development of a SJT which embraces both Emic and Etic approaches. He also stated the need for sound deductive methodology i.e. applying a ‘Top Down’ methodology that identifies the behaviours that define the constructs to be measured by the SJT in order to ensure good validity. The constructs are then evaluated for their generalisability across geographies and settings and also checked by subject matter experts. If you want a SJT to work specifically in one country then you will essentially develop an Emic SJT i.e. you would develop it within geographies and set the selection criteria locally. Whereas if you want a SJT to work across several countries then you are essentially developing an Etic SJT i.e. developing a single language version SJT and then exporting to other geographies and possibly providing translated versions. This is the approach we have taken for developing the Scenarios Managerial Judgement Test for international use.

**IS IT POSSIBLE TO DEVISE A GLOBAL MANAGEMENT SJT?**

Howard & Choi (2000) indicated that traditional methods of assessing managers i.e. using interviews, assessment centre exercises, tests, and personality questionnaires, leave a lot to be desired in that each of these methods has one or more of the following problems: objectivity, accuracy of measurement, measuring relevant management criteria, and heavy resource commitments. They reported on the first UK Situational Judgement Test which utilised rigorous psychometric approaches to overcome these issues. Now we are exploring whether this can be taken further to achieve a SJT that can be applied internationally.

Given the above research findings on similarities and differences, and appreciating that there are many similarities, we were interested in the following question: by focusing on
the similarities (rather than the differences) in the judgements that leaders and managers from different world regions make, and also appreciating the potential measurement errors that can exist in cross-cultural tests, would it be possible to assemble an objective assessment method with robust psychometric properties that can be used to assess managerial judgement? In other words, by isolating managerial scenarios and associated courses of action that draw a common response across cultures, is there enough reliable, valid, and unbiased material to produce instruments that can drive the assessment and development of leaders’ and managers’ judgement regardless of geographical location? If it were possible it would provide a situational judgement-based extension to the research work carried out by House et al (2004) and others, work that has already identified universally positive and negative leadership attributes. An objective assessment method of this type would also be of practical use to organisations operating across national boundaries and/or managing a multi-national workforce.

**THE SCENARIOS TEST**

The SJT used in our research was the Scenarios Test, Management Edition (Howard and Choi 1998, 2004). The test consists of 16 common management situations followed by a total of 100 responses. Participants are asked to rate each response for its effectiveness in dealing with the scenario presented using a six point rating scale (-3 highly undesirable, -2 undesirable, -1 slightly undesirable, +1 slightly desirable, +2 desirable, +3 highly desirable). Each of the 100 responses is scored against an ideal set of answers generated by experts, producing an overall score for the test. Each item is scored in terms of deviations from the ideal answer – participants get more credit for getting closer to the ideal answer. Ideal responses score zero, so lower overall scores on the test represent better performance.

**EXAMINING ITEMS FOR SIMILARITIES AND DIFFERENCES ACROSS WORLD REGIONS**

A sample of 3950 participants from approximately 70 countries completed a 100 item situational judgement test focused on managerial behaviour. The 70 countries were grouped into eight world regions for ease of analysis and sampling equivalence. By looking at the pattern of response to each of the 100 items in the test, it was possible to identify items that were being responded to similarly and items that were being responded to differently across the eight world regions. As the test used originated in the UK, the UK was deemed a “world” region in its own right for the purposes of this study in order to allow its comparison with each of the world regions. The total list of world regions was: **UK; Europe; North America; Australasia; Far East; Middle East; Indian Subcontinent; Africa.**

The scoring key for the test originated in the UK. Therefore, items where mean performance for a world region was deemed to be “worse” than that of the UK sample were of interest. These items were identified as potentially reflecting cultural differences between the UK and the world region in question, and were isolated for further examination. It was not automatically assumed that the world region(s) in question had less managerial judgement, simply that there was a difference in response to each of these
items. Cultural differences and Managerial Judgement differences were both possible explanations, as were language interpretation issues because the situational judgement test was completed by all participants in English, regardless of first language preference.

An item was considered to have been answered differently by a world region in comparison to the UK if the world region’s mean score for that item was worse than the UK mean score by 0.5 or more deviations after scoring by the test’s scoring key. For example, if item 13 had a UK mean of 0.8, i.e. on average 0.8 deviations away from the correct answer, but the Indian Subcontinent sample had a mean of 2.1, the difference between the samples is greater than 0.5. In practice this might mean that while the UK region tend to say +1 (slightly desirable) in response to item 13, in the Indian Subcontinent they tend to say +2 (desirable) or even +3 (highly desirable). This may be a cultural difference in management style.

FURTHER RESEARCH ON TWO OF THE REGIONS

There appeared to be 35% of the test items that did not work consistently across the eight world regions, and these were isolated for further examination. Of these items, a small number were considered to be answered so differently by one or more world regions relative to the UK that their inclusion in any instrument for widespread use was considered a risk. The remainder were followed up via qualitative interviews with experienced managers from the Indian Subcontinent and from the Middle East, the two world regions showing the biggest differences from the UK sample when responding to the managerial judgement items. In these interviews it was possible to investigate whether the differences found were due to cultural difference, language, or managerial judgement. An adaptation of the Leeds Attributional Coding System (LACS; Munton et al, 1999) was used to structure the interviews and subsequent analysis. For the exploration of possible cultural differences, the following rule was applied. Unless a consistent but different alternative answer and rationale to the item’s correct answer was given by at least a significant minority of participants from a particular world region, cultural difference was ruled out as an explanation. Likewise, unless consistent language misinterpretation was encountered by a significant minority of interviewees, language interpretation issues were also ruled out as the source of difference. If neither a cultural difference nor a language interpretation issue was uncovered, the item was re-considered for inclusion in the managerial judgement measure. If the item was able to show internal reliability with the other managerial judgement items in the instrument, it was presumed to be measuring managerial judgement, and not a cultural difference or language misinterpretation. In practice many cultural difference and language interpretation issues were uncovered, leading to the removal or minor re-wording of items e.g. substitution of a word or phrase. However, after internal reliability checks, some of the examined items were included in the final instrument.
PSYCHOMETRIC ANALYSES

After this phase of the research, sixteen scenarios and a total of 67 scored response items were retained. At this point three main statistical checks were carried out to examine the psychometric properties of the assembled instrument. These were Differential Item Functioning (DIF) analysis, internal reliability checks, and initial validation studies.

First of all differential item function (DIF) analysis was carried out on the 67 remaining items following procedures described by Zumbo (1999). All items were systematically examined for DIF. In other words, items were examined for differences in the way each world region’s participants performed on them relative to the UK region. In every case, with the exception of two items for the Indian Subcontinent region, all 67 items showed no DIF for any world region relative to the UK. In a further analysis, all 67 items showed no DIF for any world region relative to a composite world region sample minus the world region in question. The items, when completed in English, can be considered as being free from bias across the world region samples contained in the study. The two items showing DIF for the Indian Subcontinent relative to the UK region were later reworded, and it is hoped that this will remove at least some of the small amount of bias present from those items.

Secondly, internal reliability analyses were carried out to check that the instrument was reliable for use in each of the eight different world regions. Alphas ranging from 0.76 to 0.83 for the eight world regions were obtained, showing that internal consistency for the managerial judgement scale had been achieved for the eight different world regions. A combined international sample composed of weighted samples from each of the eight world regions (approximately 70 countries in total) showed an alpha of 0.82 for 3950 participants.

Thirdly, initial validation studies were conducted. Although limited validity data was available at the time of going to press, it was possible to extend the validity studies already conducted in the UK for the instrument (Howard and Choi, 2004) to examine the relationship between scores on the instrument and managerial seniority in four of the world regions. Positive correlations were found between performance on the instrument and managerial seniority in the Far East (r=0.21, p<0.08, n=46), Africa (r=0.27, p<0.01, n=687), the Indian Subcontinent (r=0.30, p<0.01, n=795) and the Middle East (r=0.44, p<0.01, n=120). The latter sample contained participants completing in either English or an Arabic translation of the instrument. In sum these studies suggest that stronger performance on the instrument is linked to increasing seniority in four different world regions containing participants from dozens of countries and cultural backgrounds.
RESULTS FOR THE EIGHT REGIONS

Having conducted key tests of the instrument’s psychometric properties, it was now possible to examine mean performance on the managerial judgement instrument for each of the eight world regions. Mean performance and standard deviations for each world region are shown below in Table 1. Note that because the instrument is scored as deviation units away from the ideal answer for each of the 67 items, lower total scores represent better performance.

Table 1: Managerial Judgement Means and standard deviations for each world region

<table>
<thead>
<tr>
<th>World Region</th>
<th>Managerial Judgement Mean score (SD difference from International sample)</th>
<th>Managerial Judgement standard deviations</th>
</tr>
</thead>
<tbody>
<tr>
<td>International (all 8 Regions)</td>
<td>55.94</td>
<td>16.64</td>
</tr>
<tr>
<td>UK</td>
<td>50.40 (-0.33)</td>
<td>14.53</td>
</tr>
<tr>
<td>Australasia</td>
<td>49.53 (-0.39)</td>
<td>13.01</td>
</tr>
<tr>
<td>Europe</td>
<td>52.91 (-0.18)</td>
<td>14.32</td>
</tr>
<tr>
<td>US</td>
<td>52.61 (-0.20)</td>
<td>13.75</td>
</tr>
<tr>
<td>Far East</td>
<td>55.62 (+0.02)</td>
<td>16.12</td>
</tr>
<tr>
<td>Africa</td>
<td>60.23 (+0.26)</td>
<td>18.42</td>
</tr>
<tr>
<td>Middle East</td>
<td>62.64 (+0.40)</td>
<td>16.85</td>
</tr>
<tr>
<td>Indian Subcontinent</td>
<td>61.20 (+0.32)</td>
<td>17.21</td>
</tr>
</tbody>
</table>

It is noticeable from Table 1 that there are differences in the performance of different world regions relative to one another. World regions from the west such as UK, Australasia, Europe and the US tend to perform better on the managerial judgement instrument than world regions from the east such as the Middle East, the Far East and the Indian Subcontinent. Africa also performs more similarly to the east than the west. There is also an increase in the standard deviation or variability in the world regions performing more poorly. However, overall the differences are not considered large. Burke, Bartram and Philpott (2009), in their international norm supplement for the Occupational Personality Questionnaire 32, a widely used measure of workplace personality, state that differences between national norms and international norms need to be greater than would be expected by measurement error. Generally, a difference of plus or minus 1 sten is treated as simply reflecting measurement error and not a true difference. The differences shown in Table 1 are all within 1 sten of the international sample mean. Whilst the differences are small, they are still worthy of further discussion.

Despite the DIF analyses, qualitative interviews, and internal reliability analyses, why do these differences persist? One possible explanation lies in the inequalities that exist between world regions in access to leadership and management training and development.
This type of training and development is commonplace in the west for managers and professionals, but is more uneven in the east and this might account for both the lower mean performance and the increased variability in managerial judgement scores found in those world regions. In effect there is unavoidable sampling bias across the world region samples examined here. Managerial Judgement is presumed to be amenable to experience, learning and coaching, and can be developed within individuals. Therefore unequal access to structured programmes and opportunities to develop the skill may account for the world region differences observed. Anecdotally, during one interview an Egyptian Manager commented that Egypt-based managers employed in global organisations understand managerial judgement better than those employed within local Egyptian companies. The positive correlations obtained between performance on the managerial judgement instrument and managerial seniority in all four of the lower performing world regions tend to suggest that the managerial judgement content of the measure is still relevant.

To what extent do some residual cultural differences still exist within the instrument used to measure managerial judgement in this study? Using Hofstede’s cultural dimensions, this was examined next. Hofstede (2001) had collected data ranking 75 countries on each of his first four cultural dimensions (data for his fifth dimension is rather less complete and covered only 23 countries). It was possible to examine the relationship between managerial judgement score and country ranking on each of Hofstede’s four dimensions: Power Distance, Uncertainty Avoidance, Individualism, and Masculinity. In a sample of 3950 participants, stronger managerial judgement was correlated -0.29 with Power Distance, -0.10 with Uncertainty Avoidance, 0.27 with Individualism, and 0.17 with Masculinity. This indicates that participants from cultures with a smaller Power Distance, and more Individualism/less Collectivism are more likely to perform well on the managerial judgement instrument. However, a regression analysis of all four dimensions on managerial judgement showed that collectively they were only able to account for 10% of the variance in managerial judgement performance i.e. these cultural difference effects only account for a small part of explaining managerial judgement differences across world regions.

A further source of difference could be language issues. Although these were checked for through the qualitative interviews conducted, participants’ level of English understanding will be variable in some of the world regions, and this may account for some of the increased variability in scores observed within some of the regions.

In sum, small differences across world regions continue to exist despite careful efforts to minimise them. The differences may be due to differing levels of access to management training and development, some residual cultural differences in responding to the content of the instrument, and differences in English language comprehension. Together these factors will have some practical implications for users of instruments of this type.

It is suggested that users of the instrument can use it with the relevant local norm group with little risk of bias. DIF, reliability and initial validity checks strongly suggest that the instrument can be used with the relevant world region norm e.g. in India, use the Indian Subcontinent norm.

However, users seeking to use the instrument with participants across different world regions will want a universal comparison group, and will look to use an International norm
group. For example, individuals applying to a company’s global talent development programme from a number of different world regions will need to be evaluated using a common benchmark. This raises some issues which suggest that users should proceed with caution. As is shown in Table 1, although differences are relatively small each world region performs slightly differently against the international norm. Presumably (as discussed above), these differences may be due to differences in access to leadership and management training or development, some measurement bias due to English language use, and residual cultural differences. Nevertheless, when using selection “cut-offs”, if a participant “fails” against the international norm but “passes” against the local region norm, review these cases in light of other assessment data available before making selection decisions.

CONCLUSION

Research into both the similarities and the differences in leadership and managerial behaviour is extensive. Our findings help lend support to the notion that much of leadership and managerial behaviour is universal. By focusing on universal leadership and management behaviour, we have been able to assemble a measure of managerial judgement with conventional and robust psychometric properties for use within a number of different world regions. With care, it is even possible to use such a measure when comparing participants across a number of different world regions against a common international benchmark or norm. However, small differences remain between world regions when compared with an international benchmark. Even after careful statistical checks for bias, reliability and validity, these differences remain. It is possible that residual language issues and cultural differences play a part. Equally, differences in access to training and development in leadership and management behaviour across world regions undoubtedly exist, and may explain some of these differences.

There are a number of limitations to our research as it currently stands. Although initial validation studies with our instrument are encouraging, they are limited to date. Further validation studies are necessary within and across world regions, including validation studies against job performance. To date studies against job performance have been limited to the UK. We would also like to translate the instrument into different languages to eliminate potential bias and error that may be introduced through reliance on an English language version of the instrument for those managers who would favour a native language version.

Further research might focus on different aspects of the similarities and differences in leadership and management behaviour around the world. Firstly, to what extent is leadership and management behaviour converging around the world particularly as more and more organisations are operating more globally? Longitudinal studies using established measures of leadership and behaviour could examine this.

Secondly, research could be further extended into the similarities in leadership and management behaviour, building on the work of the GLOBE project and the results presented here. Just how extensive are these similarities? Identifying similarities is of as a
great a use to multi-national organisations as the identification of differences, which is where research effort has been traditionally focused up to now.

Thirdly, can cultural similarities and differences in leadership and management behaviour be further explored via validation studies to shape and improve existing models of leadership and management, which tend to emerge from the West? With technology advances, more multi-national companies, more global trading, more people working in and visiting other countries, more standardised training in leadership and management across the world, then the world is truly shrinking. Might we be ready for a global leadership model supported with global research?

Max Choi is Managing Director of Quest Partnership Ltd and a Director at Quest Assessments Ltd

Alan Howard is a Director at Quest Assessments Ltd

Nina Krig is a Senior Consultant at SHL Sweden

REFERENCES


