

Culture's Consequences for Leader-Member Engagement:

A Conceptual Investigation of National Culture as a Moderator of the LMX-TMX Relationship

Abstract

This study explores the possible moderating role of national culture on the effect of leader-member interaction on employee team engagement. In this context, leader-member interaction refers primarily to leader-member exchange (LMX). Employee engagement refers to employee adherence to the work itself as well as employee team interaction or team member exchange (TMX). Through a systematic-review methodology, the study synthesizes prior findings related directly and indirectly to the research question. Findings suggest that national culture moderates the effect of leader-member exchange on employee team engagement through one of two likely mechanisms: (a) cultural resistance, caused by a culture's reaction to an unusual leadership style as possibly an alien or incomprehensible form; or (b) cultural substitution, caused by the fact that the culture already induces outcomes anticipated by the leadership style, rendering the leadership style redundant. The paper advances a conceptual model and concludes with implications and recommendations for future research.

Keywords: Employee engagement, leader engagement, leadership, LMX, TMX

Culture's Consequences for Leader-Member Engagement:

A Conceptual Investigation of National Culture as a Moderator of the LMX-TMX Relationship

Does leader-member interaction have the same effect on employee team engagement across cultures? The key dynamic in this question is the potential moderating effect of culture on the relationship between leadership style and employee team engagement. Leader-member exchange (LMX) tends to explain employee engagement with the work and with the work team (Agarwal, Datta, Blake-Beard, & Bhargava, 2012). This connection comes about in part due to employee emulation of the leader's engaging style of interpersonal interaction, increased self-efficacy, greater employee ease in approaching the leader for guidance and clarification, and more frequent leader presence among the employees in the workplace (Matta, Scott, Koopman, & Conlon, 2015). Leader-member interaction would therefore seem logically to predict work team cohesion, since cohesion among employees is a by-product of employee engagement with the work team (Mathieu, Kuenenberger, D'Innocenzo, & Reilly, 2015). In this context, cohesion would refer to how strongly the employees identify with the work team and how often they interact with one another as part of normal work processes.

While leader-member interaction thus explains work team cohesion, so does collectivism, a dimension of national culture (Jackson, Meyer, & Wang, 2013). This fact may suggest other possible relationships between the dimensions of national culture and certain aspects of leader-member exchange or team member exchange. Collectivism refers to a cultural predisposition to justify one's actions by reference to one's referent group, rather than by reference to personal goals and aspirations (Hofstede & Hofstede, 2005). In contrast, individualism, the opposite of collectivism, may predict employee engagement with the work itself, since it emphasizes self-reliance more than reliance on a group (Chirkov, Ryan, Kim, & Kaplan, 2003).

Ryan, Horvath, Ployhart, Schmitt, and Slade (2000) established definitively that national culture has a demonstrable impact on response patterns in self-report measures. This effect is evidently a function of national culture rather than linguistic differences, which might otherwise have interfered with respondents' mental processing of translated self-report items (Carter et al., 2012). Had the cause been linguistic effects, the correlations between response patterns and national culture would logically be weak or inconsistent. This observation shows that attitudinal measures are strongly subject to cultural effects (Sarkar & Charlwood, 2014). Attitudinal measures that are relevant to LMX include job satisfaction, organizational commitment, and perceptions of leader likability (Yousaf, Sanders, Torke, & Ards, 2011). In turn, the greater one's holding of these attitudes, the more likely is one to ascribe effectiveness to the leader (Doherty & Danylchuk, 1996). Conversely, as researchers often ask leaders to judge the effectiveness of their work teams, differences in attitudinal propensities are likely to influence their appraisals (Joshi & Knight, 2015).

The foregoing observations support Gelfand, Leslie, and Fehr's (2008) call for researchers to build closer ties between national culture and psychological constructs in general. Although much progress has occurred in research efforts to generalize psychological constructs across cultures in recent decades, many psychological constructs continue to rely on empirical studies of North American or English-speaking samples, with arguably insufficient cross-cultural confirmation (Hatrup, Mueller, & Aguirre, 2008). As Gelfand et al. (2008) have insisted, most of the necessary research for confirming the cross-cultural stability of psychological constructs has yet to occur. Therefore, even without demonstrating initial evidence that national culture might moderate the relationship between LMX and team-member exchange (TMX), a compelling case exists in the literature to pursue cross-cultural validation of most psychological constructs that

emerged in the past century, including the linkage between LMX and TMX. Nevertheless, as this paper aims to show, some evidence already exists to support the proposition that national culture moderates the LMX-TMX relationship.

The GLOBE study (House, Hanges, Javidan, Dorfman, & Gupta, 2004) has provided important insights into how leadership style *per se* varies across cultures. Specifically, cultural preferences for certain leadership styles tend to correlate with certain cultural dimensions. Prior to the first publication of Hofstede's cultural dimensions (Hofstede, 1980), Sadler and Hofstede (1976) had published similar insights. The later GLOBE study results therefore confirmed and further elaborated how leadership norms might vary across cultures. However, the simple fact that leadership norms will vary across cultures conveys little about the possible role of national culture as a moderator of the relationship between leader-member engagement and employee team engagement. Other studies have link certain aspects of culture to LMX or related constructs (*e.g.*, Kim, Dansereau, Kim, & Kim, 2004; Leong & Fischer, 2010).

The foregoing observations raise a question over whether leader-member interaction has the same effect on employee team engagement across cultures. To address this question, this study presents a brief systematic review of available literature to try to link cultural dimensions to different forms and expectations of LMX and related constructs, specifically while looking for direct or indirect evidence of employee team engagement as a function of leader-member interaction. The aim of this paper is accordingly to produce a general model of how national culture is likely to moderate the effect of LMX on TMX.

Research Question

The general research question asks whether certain cultural dimensions moderate the effect of LMX on employee team engagement. Although the simpler concept of employee

engagement may refer either to engagement with the work itself (Kahn, 1990) or to engagement with other team members (Seers, 1989), the latter is the focus of the present project. An ancillary research question may be how certain cultural dimensions may encourage or discourage the manifestation or effectiveness of LMX. The formal research question is as thus follows:

RQ. Do certain cultural dimensions moderate the effect of leader-member interaction on employee team engagement?

Literature Review

This literature review will begin with a discussion of LMX, a construct that originated in the 1970s out of an effort to theorize the nature of leadership in a purely open-system conceptual framework (Graen & Cashman, 1975). Discussions of employee engagement and TMX will follow, to provide some of the theoretical material necessary for predicting the effect of leader-member interaction on employee team engagement. National culture next is the subject at hand, wherein various prominent developers of measures figure, notably Hofstede, House (as primary author in the GLOBE study), Minkov, Schwartz, and Trompenaars. Several models of national culture are available in the literature, but that of Hofstede remains the most widely used and the one that shows the strongest validity in comparative assessments (Voss, Lucas, & Ward, 2014). Finally, the literature review will address some of the key sources that suggest a linkage between national culture and leadership style. The most common approach in studies that make this connection is simply to quantify evidence of preferred leadership styles across countries and draw correlations against cultural dimensions for those same countries.

Leader-Member Exchange

LMX constitutes an effort to operationalize leadership in a way that fits systems theory (Graen & Cashman, 1975). To create this operationalization, the original theorists concluded

from such studies as Katz and Kahn (1978) that it was necessary to contrive a theory consisting purely of behavioral dynamics, without consideration for what the people involved might be thinking or how they might rationalize their actions. In the most common conception, an open system of the behavioral variety (*e.g.*, a human organization) consists of multiple, interacting cycles of events, each of which repeatedly stimulates all others within the same system, creating theoretically a kind of perpetual-motion dynamic (Katz & Kahn, 1978). The key ingredient is the fact that all activity attributable to the system itself, as opposed to the people whose actions bring the system to life, is behavioral in nature, hence interpretable directly from self-reports of the nature and frequency of interaction within vertical dyads (*i.e.*, between leaders and subordinates). Accordingly, Graen and Cashman (1975) created a theory of leadership consisting of behavioral dynamics alone. A vertical dyad of high LMX quality thus displays interpersonal interaction of a relatively high level of richness (especially face-to-face interaction) and frequency, along with a relatively bilateral (rather than a unilateral or top-down) pattern of interpersonal communication (Brower, Schoorman, & Tan, 2000).

Early studies in LMX revealed group-level polarization as a normal state in organizations (Joo & Ready, 2012). That is, normal work units tended to include people who saw themselves as being close to the unit leader, alongside people who saw themselves contrarily as simply subject to the leader's directives (Naidoo, Scherbaum, Goldstein, & Graen, 2011). The former subgroup, known as in-group members, tended to display a higher level of energy than did the latter, known as out-group members (Adil & Awais, 2016). In-group members typically went beyond explicit job expectations and supported the unit leader in other ways, as conditions merited (Naidoo et al., 2011). Unit leaders could therefore rely on in-group members to go to extraordinary lengths to accomplish goals. Out-group members, by comparison, tended to see themselves as holding a

more restricted role, in which they had to meet explicit job description objectives during working hours and abandoning workplace concerns afterward (Joo & Ready, 2012).

Employee Interaction and Work

The original construal of employee engagement consisted of the concept of personal engagement, as described by Kahn (1990). This construct sought to explain one's total fixation on the object of one's work. As Kahn (1990) concluded from an analysis of qualitative material, employee engagement consisted of three facets, approximately of a cognitive, affective, and psychomotor nature, respectively. These facets included: (a) dedication, or conscious adherence to the task; (b) vigor, or the activation of one's affective capacities to experience high levels of energy; and (c) absorption, or behavioral persistence, which refers to the sensation of being part of a self-reinforcing, meaningful work dynamic. Later researchers developed a scale to measure the construct (Schaufeli, Salanova, González, & Bakker, 2002) and confirmed the tripartite factor structure. Subsequent researchers then began to describe employee engagement in terms of an employee's team relations in addition to the employee's adherence to the work itself (Robinson, Perryman, & Hayday, 2004). This observation is especially popular in the practitioner literature, which brings the team relationship into the conversation alongside one's adherence to the object of one's work (*e.g.*, Kello, 2008; Seeds, 2013; Wills, 2012). Perhaps underlying this practitioner emphasis is the fact that many people today hold jobs that consist primarily of team interaction, a fact that would logically tend to blur the boundary between personal engagement with the work itself and team-oriented engagement in the work setting.

TMX is analogous to LMX, but operates on the horizontal axis in organizations rather than the vertical axis (Seers, 1989). One of the key differences that this distinction makes is that the phenomenon of polarization operates differently between LMX and TMX (Voss, Krumwiede,

& Lucas, 2015). Bilateral polarization can occur logically in the context of LMX, as leaders and subordinates come to see themselves in certain organizational structures as occupying distinct normative spheres, which can render communication and trust difficult along the vertical axis (Brower et al., 2000). By comparison, insofar as units have no discernible poles around which contending parties might gravitate, polarization in the context of TMX is a more difficult phenomenon to describe (Voss et al., 2015). Therefore, systemic dysfunctions in the context of TMX would appear to be more complex than are those in the context of LMX.

Like LMX, the TMX construct roots itself in systems theory, notably in terms of reliance on behavioral interaction *per se* as the only relevant operating dynamic to consider (Seers, 1989). High TMX quality suggests that members of a unit tend to interact frequently and communicate richly (*e.g.*, face to face) (Park & Deitz, 2006). High TMX quality also suggests a low level of internal unit differentiation of the informal (naturally occurring) variety, such as the emergence of contending subgroups (Ford & Seers, 2006). This low level of internal differentiation is a systems property and is the opposite of equipotentiality (Voss et al., 2015). Equipotentiality refers to the capacity of unit members to swap roles. It implies strong unit flexibility and an ability to adapt to changing external circumstances (Syers, 1996). In short, as in the case of LMX, high TMX quality means that a unit manifests the optimal properties of an open system and is therefore adaptable and resilient (Voss et al., 2015).

National Culture

National culture has long been a contentious subject of scholarly research, because many scholars insist that culture is immeasurable (Blodgett, Bakir, & Rose, 2008). As such, cultures are incomparable. One must study each culture in depth (*e.g.*, Hill, 2000). This view reflects the emic model of culture, by which one's study of a culture must involve deep qualitative analysis

(Buckley, Chapman, Clegg, & Gajewska, 2014). Cultural comparisons from this perspective are therefore also qualitative. In contrast, the practice of assigning scores to countries on various scales of abstract cultural properties constitutes the etic model of cultural analysis (Voss et al., 2014). While the emic approach can create difficulties if the objective is to compare multiple cultures in a comprehensible way, the etic approach inevitably sacrifices a large amount of rich cultural information to focus on those few bipolar facets of culture whereon all cultures arguably fall with a high or low score (Buckley et al., 2014). Given its relative ease and efficiency, the etic approach is the most widely used approach to studying culture in the organizational sciences. It is accordingly the approach taken by Hofstede (Hofstede & Hofstede, 2005), the GLOBE studies (House et al., 2004), Minkov (2011), Schwartz (Schwartz, 1993; Schwartz & Bilsky, 1987), and Trompenaars (Trompenaars & Hampden-Turner, 1997).

Each different model of cultural dimensions presents some number of abstract factors, ranging from four (Minkov, 2011) to nine (House et al., 2004). In fact, Hofstede's (1980) model originally only presented four dimensions: (a) power distance; (b) individualism-collectivism (often called simply individualism, since the opposite is self-evident); (c) masculinity-femininity (sometimes rendered as competitiveness *versus* cooperativeness); and (d) uncertainty avoidance. Power distance refers to cultural norms governing how easily or difficultly holders of low power should usually be able to interact with the holders of high power (Graf, Koeszegi, & Pesendorfer, 2012). Individualism-collectivism refers to cultural norms governing whether people should pursue goals to further their own interests or to further those of their referent groups (Gundlach, Zivnuska, & Stoner, 2006). Masculinity-femininity is arguably a composite of two factors: (a) competitiveness *versus* cooperation, or social expectations that people should be competitive or aggressive, as opposed to cooperative or loyal; and (b) gender role disparity, or expectations that

men and women should pursue different kinds of goals while also maintaining sharp distinctions in appearance and norms of behavior (Ratliff & Conley, 1981). Uncertainty avoidance refers to cultural expectations governing how much thought people should normally to a problem before acting, as opposed to acting quickly or hastily (Rarick & Han, 2015).

Hofstede has added three cultural dimensions since first introducing his model, each time adopting the new factor from another researcher's study. The first new dimension was long-term orientation, or the cultural predisposition by which people expect one another to attend to matters with distant time horizons rather than expecting rapid results from action. Hofstede adopted this dimension from a study organized seven years after his own initial publication (Hofstede, 1980), which sought to replicate his approach using only Asian samples (Chinese Culture Connection, 1987). The replication produced what Hofstede interpreted as strong correlations between three of four cultural dimensions and three of Hofstede's (1980) original cultural dimensions, while one dimension appeared to be new, called Confucian dynamism at first. The second additional dimension was indulgence *versus* restraint, adopted from Minkov (2011), which refers to the matter of whether society expects people to give comfort and pleasure high priority in life (*e.g.*, as consumerism) or instead delay gratification and perhaps focus on building the future. The third additional dimension was monumentalism *versus* self-effacement, again adopted from Minkov (2011). Monumentalism refers to a cultural predisposition to take great pride in the unique characteristics of one's own people or history. Self-effacement may manifest itself as anti-patriotism, such as one sees in Germany and Sweden today.

National Culture and Leadership Style

Several studies have examined how leadership styles differ across cultures. The studies vary widely in terms of their construction and research agendas, so the identification of broad

trends can be difficult. Nevertheless, a comparison of managers in Hong Kong and Shenzhen shows the former to be more engaging of subordinates than the latter are (Li, Tan, Cai, Zhu, & Wang, 2013). This observation suggests that LMX is more likely to occur insofar as one culture is more individualistic than another. Indeed, as some studies have found, national culture tends to moderate the acceptability of different leadership styles, including transformational leadership (Jogulu & Ferkins, 2012). Transformational leadership is likely to be less effective wherever a people strongly expect their leaders to use a disengaging style. Transformational leadership can nevertheless help managers close the communication gap caused by cultural differences (Smith, Andras, & Rosebloom, 2012), because transformational leadership emphasizes rich interaction, hence communication, with subordinates. Given the evident interplay between national culture and effective styles of leadership, Muczyk and Holt (2008) have proposed integrating leadership theory with national culture (using the GLOBE model) to adapt methods of leader preparation more effectively to different cultural expectations.

Theory

Tziner, Kaufmann, Vasiliu, and Tordera (2011) have argued that national culture should moderate the relationship between LMX and certain organizational phenomena, notably those of organizational justice and organizational culture. In their model, organizational justice may affect the likelihood that leaders will engage in LMX behavior, while the prevailing leadership styles in an organization will determine how organizational justice happens to operate. In turn, national culture should influence the selection of leadership styles. While the detail of the sequence of constructs in Tziner et al.'s (2011) model is open for debate, the effect of national culture on the likelihood or effectiveness of LMX in an organization is a reliable feature of the model. In turn, Tziner et al. (2011) have surmised that LMX should influence job performance. On this measure,

they have ignored the potential moderating effects of national culture, while instead positioning culture as the ultimate antecedent in the larger model and explaining LMX as being a product of leadership styles and organizational justice.

To discern why differences in national culture should moderate the effect of LMX on employee team engagement, it is necessary to examine individual cultural dimensions. The most self-evident dimension to consider is power distance in Hofstede's model, since power distance suggests differences in terms of the acceptability of proximal *versus* distal interaction between leaders and subordinates (Hofstede, 1980). English-speaking countries are low in power distance (Lian, Ferris, & Brown, 2012). The fact that theories such as LMX come from English-speaking countries seems logical in that it reflects a cultural expectation that leaders communicate richly with subordinates while inviting a generally egalitarian tone from them. Whether one can truly say that close-in leadership is universally superior to aloof leadership is irrelevant in this sense. Simply put, individuals in high-power-distance cultures may experience confusion and perhaps discomfort if their leaders are endeavoring to interact more intimately with them than they have learned to expect through their cultural upbringing (Lian et al., 2012). Such leaders would thus be acting out of character in the minds of people in high-power-distance cultures. Consequently, close-in leaders may effectively be behaving inappropriately from that cultural perspective.

Individualism-collectivism may have distinct effects on the relationship between leader-member interaction on the one hand and employee team engagement on the other. In this case, one must recognize that the theories of leader-member interaction again emanate from English-speaking countries, which are high in individualism (Wagner, Humphrey, Meyer, & Hollenbeck, 2012). Such concepts may therefore constitute remedies for certain downsides of individualistic behavior in the workplace, such as the insistence on the part of many employees to perform their

tasks in their own ways. Individualistic employees may even insist on idiosyncratic approaches to task accomplishment after learning the prescribed way to perform them (Yang et al., 2012). They may alternatively try to adjust their work to their own needs, rather than organizing their lives more strictly around the imperatives of the workplace. Americans tend to engage with relative rarity in competing to demonstrate who can do the most work (Wagner et al., 2012). The prevailing attitude in the United States is instead generally that one should do no more work than is necessary. In this kind of culture, a leadership theory such as LMX, which effectively predicts the conditions under which employees will set aside personal fixations to focus on organizational priorities, is of self-evident utility. However, it may be less useful in collectivistic cultures, where the culture itself already induce employees to set aside personal fixations and focus on the needs of the institution (Yang et al., 2012). Thus, national culture may possibly obviate certain kinds of leadership training.

Based on these ideas and similar reasoning regarding other cultural dimensions, Figure 1 attempts to show how selected cultural dimensions are likely to influence LMX expectations and effectiveness, followed by how LMX might influence TMX or employee engagement. While the model may exceed the information available in the literature for gauging the effect of culture on the LMX-TMX relationship, it may provide a starting point at least for anticipating such effects. In the model, the positioning of individualism-collectivism as a moderator of the LMX-TMX relationship reflects the prevailing view in the literature on this matter. While other dimensions may also moderate this relationship, the model presents long-term orientation as the other main moderator as a matter of speculation. Insofar as a society maintains a long-term perspective on work performance, one may expect leaders and subordinates in such a society to be more likely to share a common vision for the organization rather than to hold disparate visions. Insofar as a

short-term orientation prevails, one might conversely expect that high LMX quality will instead serve to divert workers' focus from self-centered interests to those of the unit. Strictly speaking, it is difficult to surmise whether the effect of long-term orientation will therefore be positive or negative on the LMX-TMX relationship, but the logic proposed here is that the relationship will benefit from a preexisting condition of agreement on the long-term priorities of the company.

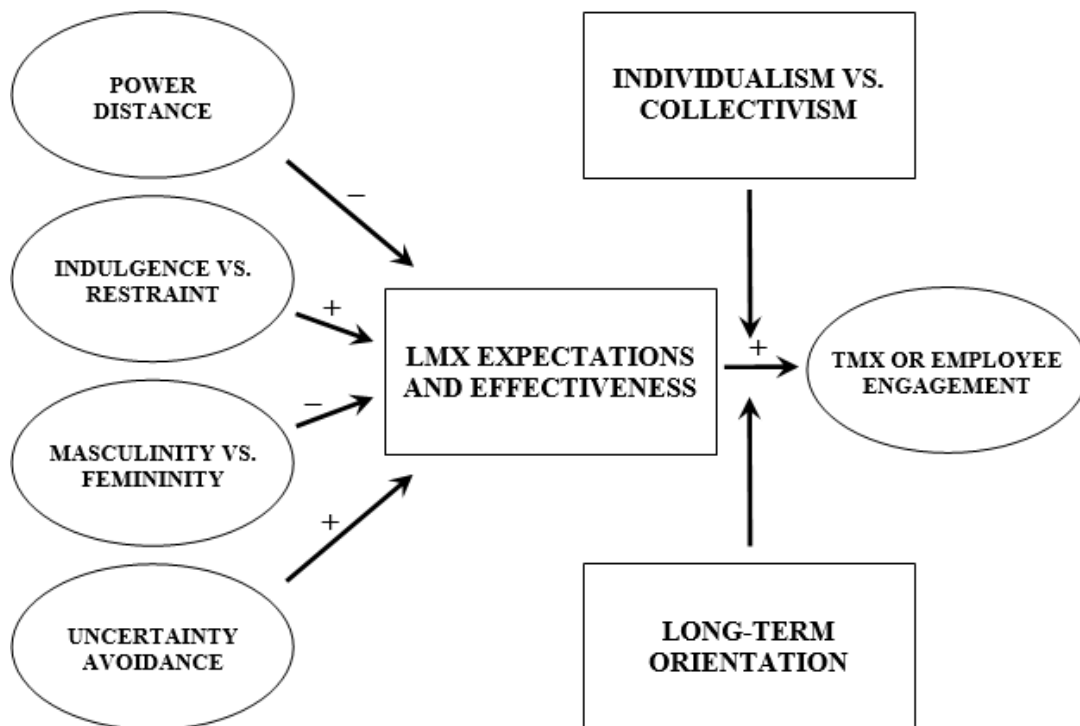


Figure 1. Likely direct and moderating effects of cultural dimensions on LMX and TMX.

In fact, if one may infer indirectly from the findings of some researchers (*e.g.*, Chiaburu, Chakrabarty, Wang, & Li, 2015), it is possible to conjecture that virtually all cultural dimensions will have some effect on the LMX-TMX relationship. This observation stems from the fact that it is difficult to reason, based on the sheer description of a cultural dimension, how the dimension should affect any psychological construct. As in the case of human values, the precise effects of cultural dimensions may work in a direction contrary to what one infers rationally from a reading of their superficial descriptions. Cultural dimensions are a non-rational force in human behavior.

People act under the influence of cultural dimensions, but they rarely think about what kinds of actions might make sense based on those dimensions *per se*, because cultural dimensions operate on an unconscious level.

The foregoing arguments suggest that national culture may either obstruct the appeal of certain leadership styles due to employee resistance to those styles or nullify their effectiveness by substituting for them. Between these choices, it is difficult to predict which one will be more prevalent across cultures or capable of influencing employee behavior more. Nevertheless, the prospect of cultural substitution for leadership style effectiveness has additional backing in the sociological literature, in the form of the concept of social control (Ülgen, 2014). In standard sociological theory, the members of society avoid unacceptable behavior for two reasons: (a) legal control; and (b) social control. The latter consists of an informal norming process wherein all citizens monitor all other citizens and react to breaches of propriety directly or indirectly and explicitly or implicitly. They may ostracize the offender, contact the authorities, or adopt a look of disapproval. Countries low in social control may often be high in legal control to compensate, meaning that they have many rules, while rule enforcers are highly visible (Ülgen, 2014). Every society theoretically needs to be high in social control or legal control. Indeed, in the context of cultural dimensions, a collectivistic society should be high in social control by the force of the definition itself. Some collectivistic societies (notably the socialist countries) are simultaneously high in legal control.

Methodology

The methodology employed in this paper was to conduct a literature search in standard library databases. For this purpose, a universal search function available through a university library provided a partial shortcut by accessing multiple databases simultaneously. After this first

step, it remained necessary to review individual databases to identify further findings (Kamdar, Shah, Sakamuri, Kamdar, & Oh, 2015). The literal terms LMX and national culture served as set phrases in this step. As revealed in initial testing for effective keyword combinations, the attempt to search the databases while additionally specifying employee team engagement or TMX caused null relevant findings. Moreover, keyword settings that produced smaller arrays of output tended to display larger proportions of irrelevant works. It was therefore necessary to capture a broader array of articles and then investigate them individually for clues about the potential moderating effects of leader-member interaction on employee team engagement. For the sake of efficiency, the literature search stopped after the selection of 20 sources with high apparent relevance, based on a judgment of titles and abstracts (Kamdar et al., 2015).

Analysis

Although several studies appear to be available in the literature to shed light on how the relationship between LMX and other variables might be subject to moderation based on one or more of the recognized dimensions of national culture, very few studies have sought to test this moderating effect directly. As Table 1 shows, the literature search of scholarly journals produced only four studies with this goal in mind. Moreover, among those studies, only one (Rockstuhl, Dulebohn, Ang, & Shore, 2012) attempts to assess the relationship between LMX and selected outcome variables across more than two countries. While two-country comparisons constitute an important part of the literature base, they are naturally vulnerable to confusion over whether it is culture or some noncultural difference between the samples that explains observable variance in the dependent variable. Therefore, multiple-country comparisons are superior for determining how the LMX-TMX relationship may change across cultures. Importantly, none of the studies

found in the literature directly examines TMX as a correlative variable with LMX. Rather, they often measure other correlates with indirect implications for TMX.

Study	Type	Cultures	Cultural Effects Demonstrated
Li et al. (2013)	Regression analysis	Hong Kong, China	<ul style="list-style-type: none"> • LMX on performance • LMX on turnover intention
Rockstuhl et al. (2012)	Moderator analysis	Multiple	<ul style="list-style-type: none"> • LMX on OCB • LMX on distributive-justice perceptions • LMX on procedural-justice perceptions • LMX on interactional-justice perceptions • LMX on job satisfaction • LMX on turnover intentions • LMX on leader trust
Erdogan & Liden (2006)	Moderator analysis	Turkey	<ul style="list-style-type: none"> • LMX on interactional-justice perceptions • LMX on distributive-justice perceptions • Correlation between LMX and collectivism
Lee et al. (2014)	Correlational analysis	USA, Korea	<ul style="list-style-type: none"> • Correlation between LMX and collectivism • Correlation between LMX and power distance

Table 1

In addition to the listed correlates of LMX, two studies (Erdogan & Liden, 2006; Lee, Scandura, & Sharif, 2014) have also tested for direct correlations with some cultural dimensions. Together, these additional outcomes implicate individualism-collectivism and power distance as direct correlates of LMX. If employees in collectivistic cultures are more likely to report close-in leader behavior than are employees in individualistic cultures, LMX should appear to operate

more frequently in collectivistic cultures than in individualistic ones. However, if such close-in interaction with subordinates is a normal cultural expectation in collectivistic cultures, then the subordinates in those cultures may fail to respond to this leader behavior as energetically as may subordinates in individualistic cultures, where close-in interaction is rarer. Consequently, LMX may appear less effective in collectivistic cultures. Similarly, high-power-distance cultures will tend to discourage close-in interaction rather than encourage it. Subordinates will expect their leaders to maintain some amount of distance in terms of interpersonal interaction as a symbol of positional legitimacy. Therefore, leaders in high-power-distance cultures who habitually interact closely with subordinates may generate a similar kind of high energy level in those subordinates as one expects to occur in the exercise of LMX in individualistic cultures.

As Table 1 also shows, studies of justice perceptions seem to hold some importance in cross-cultural comparisons of LMX quality. Among the three types of justice perceptions seen in these studies, interactional justice would appear to have the closest relationship with TMX, in the sense that equal interactional expectations work in the opposite direction from the phenomenon of emergent subgroups, such as the polarization between in-group and out-group members in a dysfunctional team (Voss et al., 2015). A unit with high interactional justice is one in which the unit members feel that they can participate in unit-level work or discussions on an equal level with other unit members. Consequently, a unit with high interactional justice has no unwarranted subgroups that might serve to alienate some workers.

Figure 2 shows the synthesized findings from the available literature, drawn in the same arrangement as in the originally hypothesized model. No study selected in the systematic review tested any cultural dimensions beyond power distance (PDI) and individualism-collectivism (IDV). Therefore, it was impossible to address most of the anticipated effects of the working

hypotheses. As expected, high power distance predicted low LMX across countries, and high individualism predicted a stronger LMX-TMX relationship. However, power distance also acted as a moderator (weakening the LMX-TMX relationship), while individualism also had a direct effect (predicting higher levels of LMX). One anomaly is worth noting in this context, namely, that if a study differentiates individualism across organizations within a single culture, then the effect can work in the opposite direction. Nevertheless, in this kind of application, individualism is no longer a dimension of national culture, but rather a dimension of organizational culture. The anomaly occurred in both Erdogan and Liden (2006) and Lee et al. (2014), who both used a non-Hofstede scale for individualism. Interestingly, they did the same for power distance, but without an analogous distinction. No study directly addressed TMX, but most studies addressed some of the correlates of TMX, as judged by reference to Banks et al. (2014).

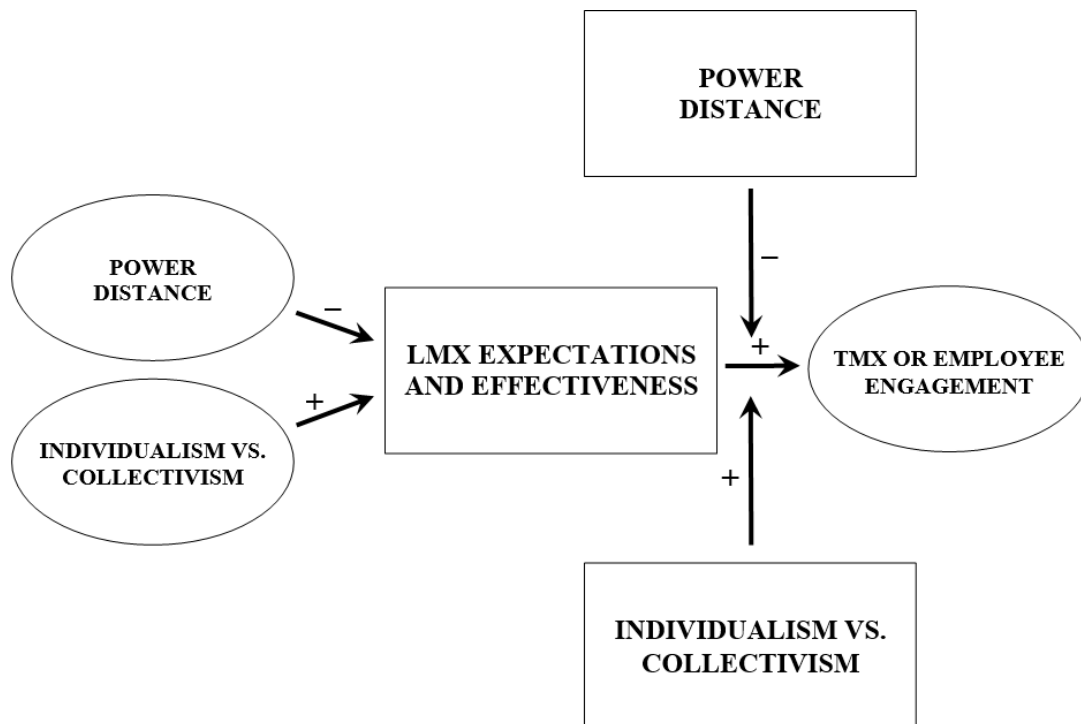


Figure 2. Synthesized findings from the available literature.

Discussion

The findings in this study appear to support the thesis that two forces operate to obstruct the influence of leader-member interaction on employee team engagement across cultures. First, modern styles of leadership may fail to fit the expectations of certain cultures in a way that will permit effectiveness in those styles. Employees who find a certain leadership style strange in the context of their traditional culture may have trouble responding positively to it. The reaction may conceivably be negative due to the cultural misunderstanding. Second, some cultural dimensions may substitute for the effects for which other cultures, notably those of English-speaking nations, expect a difference due to a difference in leadership. For example, a high-LMX leadership style will have no measurable effect on employee team engagement if employee team engagement in a company is already high due to pervasive cultural expectations.

Each of the noted cultural effects raises certain implications for theory or practice. First, if cultural resistance is present for some leadership styles, practitioners both need to be able to predict it and need to be able to prepare for it. Cultural resistance may require an adjustment in one's leadership style to compensate. Alternatively, some circumstances may warrant training units to adapt to what appears to be an unusual style. A modification to the standard situational-leadership model may therefore accommodate considerations of cultural resistance. Meanwhile, the implications of cultural substitution may be more interesting to research. If no variance is present in the practice of a leadership style because the culture sees it as natural, then studies that are looking to detect the effects of that leadership style on a performance outcome will produce null findings.

Future research should proceed to measure cultural resistance and cultural substitution in the effects of leader-member interaction on employee team engagement using survey methods.

The scale of a multi-country undertaking is daunting, but such a study may forgo the additional necessity of having to re-measure national culture, since those scores exist for most countries in which scholars have chosen to investigate the dynamics of culture. All that remains is therefore the task of measuring LMX and TMX. Statistical analysis using published measures is sufficient for determining whether a moderating dynamic is present. However, prior to undertaking large-scale studies, it may be important to investigate the question of cultural resistance *versus* cultural substitution qualitatively, as a large-scale quantitative analysis may overlook that distinction.

The limitations of this study revolve around the limited availability of sources of studies that have sought to test for national culture as a moderator. The scale of the operation necessary to test for these effects seems to have minimized the range of available studies. Related to this issue is naturally the nature of this study as merely a brief systematic review, hence a logic-base synthesis of prior studies, rather than the product of the collection of primary data on some level. Some questions raised in this study may consequently require unique studies to address them.

References

- Adil, M. S., & Awais, A. (2016). Effects of leader-member exchange, interpersonal relationship, individual feeling of energy, and creative work involvement towards turnover intention: A path analysis using structural equation modeling. *Asian Academy of Management Journal*, *21*, 99-133. doi:10.21315/aamj2016.21.2.5
- Agarwal, U. A., Datta, S., Blake-Beard, S., & Bhargava, S. (2012). Linking LMX, innovative work behaviour, and turnover intentions: The mediating role of work engagement. *Career Development International*, *17*, 208-230. doi:10.1108/13620431211241063
- Banks, G. C., Batchelor, J. H., Seers, A., O'Boyle, E. H. Jr., Pollack, J. M., & Gower, K. (2014). What does team-member exchange bring to the party? A meta-analytic review of team and leader social exchange. *Journal of Organizational Behavior*, *35*, 273-295. doi:10.1002/job.1885
- Blodgett, J. G., Bakir, A., & Rose, G. M. (2008). A test of the validity of Hofstede's cultural framework. *Journal of Consumer Marketing*, *25*, 339-349. doi:10.1108/07363760810902477
- Brower, H. H., Schoorman, F. D., & Tan, H. H. (2000). A model of relational leadership: The integration of trust and leader-member exchange. *Leadership Quarterly*, *11*, 227-250. doi:10.1016/S1048-9843(00)00040-0
- Buckley, P. J., Chapman, M., Clegg, J., & Gajewska de Mattos, H. (2014). A linguistic and philosophical analysis of emic and etic and their use in international business research. *Management International Review*, *54*, 307-324. doi:10.1007/s11575-013-0193-0
- Carter, N. T., Kotrba, L. M., Diab, D. L., Lin, B. C., Pui, S. Y., Lake, C. J. . . . Chao, A. (2012). A comparison of a subjective and statistical method for establishing score comparability

- in an organizational culture survey. *Journal of Business and Psychology*, 27, 451-466.
doi:10.1007/s10869-011-9254-1
- Chiaburu, D. S., Chakrabarty, S., Wang, J. X., & Li, N. (2015). Organizational support and citizenship behaviors: A comparative cross-cultural meta-analysis. *Management International Review*, 55, 707-736. doi:10.1007/s11575-015-0253-8
- Chinese Culture Connection. (1987). Chinese values and the search for culture-free dimensions of culture. *Journal of Cross-Cultural Psychology*, 18, 143-164.
doi:10.1177/0022002187018002002
- Chirkov, V., Ryan, R. M., Kim, Y. M., & Kaplan, U. (2003). Differentiating autonomy from individualism and independence: A self-determination theory perspective of internalization of cultural orientations and well-being. *Journal of Personality and Social Psychology*, 84, 97-110. doi:10.1037/0022-3514.84.1.97
- Doherty, A. J., & Danylchuk, K. E. (1996). Transformational and transactional leadership in interuniversity athletics management. *Journal of Sport Management*, 10, 292-309.
doi:10.1123/jsm.10.3.292
- Erdogan, B., & Liden, R. C. (2006). Collectivism as a moderator of responses to organizational justice: Implications for leader-member exchange and ingratiation. *Journal of Organizational Behavior*, 27, 1-17. doi:10.1002/job.365
- Ford, L. R., & Seers, A. (2006). Relational leadership and team climates: Pitting differentiation versus agreement. *Leadership Quarterly*, 17, 258-270. doi:10.1016/j.leaqua.2006.02.005
- Gelfand, M. J., Leslie, L. M., & Fehr, R. (2008). To prosper, organizational psychology should ... adopt a global perspective. *Journal of Organizational Behavior*, 29, 493-517.
doi:10.1002/job.530

- Graen, G. B., & Cashman, J. F. (1975). A role making model in formal organizations: A development approach. In J. G. Hunt & L. L. Larson (Eds.), *Leadership frontiers* (pp. 143-165). Kent, OH: Kent State Press.
- Graf, A., Koeszegi, S. T., & Pesendorfer, E. M. (2012). Cross-cultural negotiations and power distance: Strategies applied by Asian and European buyers and sellers in electronic negotiations. *Nankai Business Review*, 3, 242-256. doi:10.1108/20408741211264567
- Gundlach, M., Zivnuska, S., & Stoner, J. (2006). Understanding the relationship between individualism-collectivism and team performance through an integration of social identity theory and the social relations model. *Human Relations*, 59, 1603-1632. doi:10.1177/0018726706073193
- Hattrup, K., Mueller, K., & Aguirre, P. (2008). An evaluation of the cross-national generalizability of organizational commitment. *Journal of Occupational and Organizational Psychology*, 81, 219-240. doi:10.1348/096317907X238717
- Hill, J. S. (2000). Modern-traditional behaviors: Anthropological insights into global business behaviors. *Journal of Transnational Management Development*, 5(3), 3-21. doi:10.1300/J130v05n03_02
- Hofstede, G. H. (1980). *Culture's consequences: International differences in work-related values*. Beverly Hills, CA: Sage.
- Hofstede, G. H., & Hofstede, G. J. (2005). *Cultures and organizations: Software of the mind* (2nd ed.). New York, NY: McGraw-Hill.
- House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., & Gupta, V. (2004). *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Thousand Oaks, CA: Sage.

- Jackson, T. A., Meyer, J. P., & Wang, X. H. (2013). Leadership, commitment, and culture: A meta-analysis. *Journal of Leadership and Organizational Studies, 20*, 84-106.
doi:10.1177/1548051812466919
- Jogulu, U., & Ferkins, L. (2012). Leadership and culture in Asia: The case of Malaysia. *Asia Pacific Business Review, 18*, 531-549. doi:10.1080/13602381.2012.690301
- Joo, B. K., & Ready, K. J. (2012). Career satisfaction: The influences of proactive personality, performance goal orientation, organizational learning culture, and leader-member exchange quality. *Career Development International, 17*, 276-295.
doi:10.1108/13620431211241090
- Joshi, A., & Knight, A. P. (2015). Who defers to whom and why? Dual pathways linking demographic differences and dyadic deference to team effectiveness. *Academy of Management Journal, 58*, 59-84. doi:10.5465/amj.2013.0718
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal, 33*, 692-724. doi:10.2307/256287
- Kamdar, B. B., Shah, P. A., Sakamuri, S., Kamdar, B. S., & Oh, J. W. (2015). A novel search builder to expedite search strategies for systematic reviews. *International Journal of Technology Assessment in Health Care, 31*, 51-53. doi:10.1017/S0266462315000136
- Katz, D., & Kahn, R. L. (1978). *The social psychology of organizations* (2nd ed.). New York, NY: Wiley.
- Kello, J. (2008). Help! I'm working with a jerk. *Industrial Safety and Hygiene News, 42*(10), 27-28.

- Kim, K. S., Dansereau, F., Kim, I. S., & Kim, K. S. (2004). A multiple-level theory of leadership: The impact of culture as a moderator. *Journal of Leadership and Organizational Studies, 11*, 78-92. doi:10.1177/107179190401100109
- Lee, K. T., Scandura, T. A., & Sharif, M. M. (2014). Cultures have consequences: A configural approach to leadership across two cultures. *Leadership Quarterly, 25*, 692-710. doi:10.1016/j.leaqua.2014.03.003
- Leong, L. Y., & Fischer, R. (2010). Is transformational leadership universal? A meta-analytical investigation of Multifactor Leadership Questionnaire means across cultures. *Journal of Leadership and Organizational Studies, 18*, 164-174. doi:10.1177/1548051810385003
- Li, J., Tan, Y. L., Cai, Z. Y., Zhu, H., & Wang, X. R. (2013). Regional differences in a national culture and their effects on leadership effectiveness: A tale of two neighboring Chinese cities. *Journal of World Business, 48*, 13-19. doi:10.1016/j.jwb.2012.06.002
- Lian, H. W., Ferris, D. L., & Brown, D. J. (2012). Does power distance exacerbate or mitigate the effects of abusive supervision? It depends on the outcome. *Journal of Applied Psychology, 97*, 107-123. doi:10.1037/a0024610
- Mathieu, J. E., Kukenberger, M. R., D'Innocenzo, L., & Reilly, G. (2015). Modeling reciprocal team cohesion-performance relationships, as impacted by shared leadership and members' competence. *Journal of Applied Psychology, 100*, 3, 713-734. doi:10.1037/a0038898
- Matta, F. K., Scott, B. A., Koopman, J., & Conlon, D. E. (2015). Does seeing "eye to eye" affect work engagement and organizational citizenship behavior? A role theory perspective on LMX agreement. *Academy of Management Journal, 58*, 1686-1708. doi:10.5465/amj.2014.0106

- Minkov, M. (2011). *Cultural differences in a globalizing world*. Bingley, UK: Emerald.
- Muczyk, J., & Holt, D. (2008). Toward a cultural contingency model of leadership. *Journal of Leadership and Organizational Studies*, *14*, 277-286. doi:10.1177/1548051808315551
- Naidoo, L. J., Scherbaum, C. A., Goldstein, H. W., & Graen, G. B. (2011). A longitudinal examination of the effects of LMX, ability, and differentiation on team performance. *Journal of Business and Psychology*, *26*, 347-357. doi:10.1007/s10869-010-9193-2
- Park, J. E., & Deitz, G. D. (2006). The effect of working relationship quality on salesperson performance and job satisfaction: Adaptive selling behavior in Korean automobile sales representatives. *Journal of Business Research*, *59*, 204-213.
doi:10.1016/j.jbusres.2005.04.002
- Rarick, C., & Han, T. (2015). The role of culture in shaping an entrepreneurial mindset. *International Journal of Entrepreneurship*, *19*, 119-125.
- Ratliff, E. S., & Conley, J. (1981). The structure of masculinity-femininity: Multidimensionality and gender differences. *Social Behavior and Personality*, *9*(1), 41-47.
doi:10.2224/sbp.1981.9.1.41
- Robinson, D., Perryman, S., & Hayday, S. (2004). *The drivers of employee engagement* (Report No. 408). Brighton, UK: Institute for Employment Studies. Retrieved from <http://www.employment-studies.co.uk/system/files/resources/files/408.pdf>
- Rockstuhl, T., Dulebohn, J. H., Ang, S., & Shore, L. M. (2012). Leader-member exchange (LMX) and culture: A meta-analysis of correlates of LMX across 23 countries. *Journal of Applied Psychology*, *97*, 1097-1130. doi:10.1037/a0029978

- Ryan, A. M., Horvath, M., Ployhart, R. E., Schmitt, N., & Slade, L. A. (2000). Hypothesizing differential item functioning in global employee opinion surveys. *Personnel Psychology*, *53*, 531-562. doi:10.1111/j.1744-6570.2000.tb00213.x
- Sadler, P. H., & Hofstede, G. H. (1976). Leadership styles: Preference and perceptions of employees of an international company in different countries. *International Studies of Management and Organization*, *6*(3), 87-113. doi:10.1080/00208825.1976.11656207
- Sarkar, S., & Charlwood, A. (2014). Do cultural differences explain differences in attitudes towards unions? Culture and attitudes towards unions among call centre workers in Britain and India. *Industrial Relations Journal*, *45*, 56-76. doi:10.1111/irj.12042
- Schaufeli, W. B., Salanova, M., González Roma, V., & Bakker, A. B. (2002). The measurement of engagement and burnout: A two sample confirmatory factor analytic approach. *Journal of Happiness Studies*, *3*, 71-92. doi:10.1023/A:1015630930326
- Schwartz, S. H., & Bilsky, W. (1987). Toward a universal psychological structure of human values. *Journal of Personality and Social Psychology*, *53*, 550-562.
- Schwartz, S. H. (1993). Universals in the content and structure of values. In M. P. Zanna (Ed.), *Advances in experimental social psychology* (vol. 25) (pp. 1-65). New York, NY: Academic Press.
- Seeds, D. (2013). Turbo Charger. *Smart Business Indianapolis*, *10*(3), 12-17.
- Seers, A. (1989). Team-member exchange quality: A new construct for role making research. *Organizational Behavior and Human Decision Processes*, *43*, 118-135. doi:10.1016/0749-5978(89)90060-5

Smith, B., Andras, T. L., & Rosenbloom, B. (2012). Transformational leadership: Managing the twenty-first century sales force. *Psychology and Marketing, 29*, 434-444.

doi:10.1002/mar.20532

Syers, J. (1996). *How teamwork works: The dynamics of effective team development*. Boston, MA: McGraw-Hill.

Trompenaars, F., & Hampden-Turner, C. (1997). *Riding the waves of culture: Understanding diversity in global business* (2d ed.). New York, NY: McGraw-Hill.

Tziner, A., Kaufmann, R., Vasiliu, C., & Tordera, N. (2011). Organizational perceptions, leadership, and performance in work settings: Do they interrelate? *Revista de Psicología del Trabajo y de las Organizaciones, 27*, 205-211. doi:10.5093/tr2011v27n3a4

Ülgen, F. (2014). How to guide the economy in a socially desirable direction: Lessons from the 2007 financial turmoil. *Journal of Economic Issues, 48*, 575-583. doi:10.2753/JEI0021-3624480234

Voss, R. A., Krumwiede, D. W., & Lucas, A. D. (2015). Fractal exchange quality: Operationalizing information exchange dynamics in organizations within a paradigm of fractality. *Proceedings of the Academy of Human Resource Development International Conference in the Americas*. Retrieved from <http://www.ahrd.org>

Voss, R. S., Lucas, A. D., & Ward, S. A. (2014). Supranational culture II: Comparison of Schwartz Value Survey data against Hofstede, GLOBE, and Minkov as predictors of civilizational affiliation. *International Journal of the Academic Business World, 8*(2), 63-76. Retrieved from <http://jwpress.com/IJABW/Issues/IJABW-Fall-2014.pdf>

- Wagner, J. A., Humphrey, S. E., Meyer, C. J., & Hollenbeck, J. R. (2012). Individualism-collectivism and team member performance: Another look. *Journal of Organizational Behavior, 33*, 946-963. doi:10.1002/job.783
- Wills, A. (2012, April 1). Engagement is the key driver. *Conference and Incentive Travel*, 24-25.
- Yang, L. Q., Spector, P. E., Sanchez, J. I., Allen, T. D., Poelmans, S., Cooper, C. L. . . . Woo, J. M. (2012). Individualism-collectivism as a moderator of the work demands-strains relationship: A cross-level and cross-national examination. *Journal of International Business Studies, 43*, 424-443. doi:10.1057/jibs.2011.58
- Yousaf, A., Sanders, K., Torka, N., & Ardt, J. (2011). Having two bosses: Considering the relationships between LMX, satisfaction with HR practices, and organizational commitment. *International Journal of Human Resource Management, 22*, 3109-3126. doi:10.1080/09585192.2011.606124