



Going Global: What U.S. and European Leaders Need to Know About Each Other

By Helen Peters and Robert Kabacoff

The drive toward globalization has radically increased the number of mergers between European and US-based companies. Leaders are being asked to assemble and integrate managers and staff from multiple cultural backgrounds, with potentially widely differing views on what leadership is all about and how leaders ought to behave. The purpose of this article is to help these managers to understand how their approach to leadership might differ from that of their colleagues, and how these differences in style can become a source of misinterpretation and conflict, or be a positive influence by adding new dimensions and skills to the leadership team.

Management Research Group® (MRG) is a firm specializing in the creation of behavioral assessment instruments used for individual and organizational development. We maintain global databases of information regarding the leadership style and behavior of more than

THE LEADERSHIP EFFECTIVENESS ANALYSIS™ MODEL

The model is comprised of twenty-two specific dimensions of leadership behavior that are measured against six essential functions of the leadership role:

CREATING A VISION

- Conservative
- Innovative
- Technical
- Self
- Strategic

DEVELOPING FOLLOWERSHIP

- Persuasive
- Outgoing
- Excitement
- Restraint

IMPLEMENTING THE VISION

- Structuring
- Tactical
- Communication
- Delegation

FOLLOWING THROUGH

- Control
- Feedback

ACHIEVING RESULTS

- Management Focus
- Dominant
- Production

TEAM PLAYING

- Co-operation
- Consensual
- Authority
- Empathy

400,000 managers worldwide, allowing us to pose and answer a wide range of research questions about leaders and effective leadership behavior. In the current investigation, we compare the leadership approach of US managers with managers from nine European countries. This research builds on and expands our previous research on the impact of country culture on leadership style. The first study, “*Global or Local: The Impact of Country Culture on Leadership Style in Europe*”, compared the leadership approaches of managers from eight different European countries; and the second, “*Shared Beginnings and Diverse Histories: A Comparison of Leadership Behavior in Five Countries with Anglo-Saxon Based Cultures*”, compared leaders from the UK, US, Canada, Australia, and South Africa. Both of these articles are available from MRG's website at www.mrg.com.

The Current Study

All the managers included in this study had been assessed against MRG®’s leadership model using the Leadership Effectiveness Analysis™ Questionnaire. The Questionnaire measures twenty-two specific leadership dimensions. These dimensions define the managers’ ability to develop a vision or direction for the organization, to engender the support of others for that vision, to implement the vision in organizational terms, and to ensure that things happen according to the plan. The managers’ orientation towards achieving results and their ability to work within a team environment were also measured.

The study included 61,277 managers from the US and nine European countries.

<u>Country</u>	<u>Number of Managers</u>
Belgium	2003
Denmark	1572
Germany	980
France	1894
Ireland	854
Italy	946
Netherlands	2303
Sweden	3175
United Kingdom	7762
United States	39788
Total	61277

Before describing the results, it is important to point out some caveats. First, the cultural comparisons reported here are based on managers' perceptions of themselves, not on the external ratings of others. Second, although these 61,277 managers represent a broad cross section of industries, functional areas, and management levels, we did not control for demographic differences between countries. And finally, results are based on aggregate data and group differences defined by country affiliation only. An individual's leadership approach is based on many factors beyond country culture, including experience, personality, age, role, industry, and company values.

Having said this, we believe that the results of the current investigation describe broad differences in leadership approach between the countries studied and that these differences have real world implications. In what follows, we report only the most significant findings — those that would be the most clearly evident in terms of the real world behavior of managers and leaders.

Comparison of Leadership Behavior By Country

Belgian Managers Compared to US Managers

Our research suggests several notable differences between the leadership styles of Belgian and US managers. The Belgian managers tend to be more oriented toward actively seeking the ideas and input of others. The US managers seem far more comfortable in and attracted to the leadership role, to being the one in charge. The Belgian managers tend to be more extroverted and friendly, more energized, more hands-on and practical, and more apt to let others know in a straightforward way what they think of them. American managers tend to focus more on maintaining in-depth knowledge in their field, delegating responsibilities to others, and setting high standards for achievement.

Danish Managers Compared to US Managers

The Danish managers in our study view themselves as much more likely to spend time getting commitment and buy-in from others by winning them over to their point of view. They also tend to see themselves as more energized than the US managers, and like the Belgians, more apt to be straightforward in giving others feedback. The biggest difference between the Danish managers and the US managers appears to be in terms of respect for authority. The US managers rated themselves as

having a much stronger orientation toward respecting the ideas and opinions of people in authority and showing loyalty to the organization.

French Managers Compared to US Managers

Our study indicates that the French managers consider themselves to be much more hands-on than their US counterparts. They also seem to be much more oriented toward proactively soliciting the ideas and input of others and rely more heavily on others to provide them with specialist's knowledge and expertise. The Americans describe themselves as more apt to spend time maintaining their own expertise in their field. They also tend to be far more oriented toward building on past experience and knowledge. The French managers in the study view themselves as having little patience with tradition, and as less likely to want to follow the tried and true path.

The Americans will tend to lead from a position of authority, and to be more comfortable with being in charge and directing the work of others. The French bring a great deal of energy and enthusiasm to the leadership role. Our data suggests they take an involved, alive and dynamic approach to management. Rather than leading from positions of authority, French managers want others to feel good about their work, and to be internally motivated to accomplish objectives.

German Managers Compared to US Managers

The current study suggests that German managers tend to be much more focused on the short-term than American managers. They appear to be more hands-on, practical, and involved in the day-to-day work of their team. The Germans report that they spend time communicating with others, both in terms of sharing their ideas and giving others straightforward, perhaps even blunt, feedback. The Americans see themselves as more likely to delegate responsibility and authority to the people who work for them, but may not be as good as the Germans at communicating expectations and closing the learning loop with appropriate feedback. The American managers in our study describe themselves as much more loyal to both the organization and the top management team than the German managers did. The Germans were less inclined to place importance on the opinions of people in positions of authority and to defer to them.

Irish Managers Compared to US Managers

Of all the Europeans studied, the Irish managers' approach to the leadership role was the most similar to the Americans'. However, there

were some differences. The Irish leaders indicated that they spend more time with other people, in terms of seeking out the ideas and opinions of others, letting others know their expectations of them, and getting commitment from others by being sensitive to their needs and winning them over. Compared to the Irish, the Americans were more apt to spend time maintaining the status quo, setting high standards for performance, pushing to make things happen, and relying on position authority to get things done.

Italian Managers Compared to US Managers

Italian managers see themselves as approaching the leadership role in an outgoing and extroverted way, energized by their ideas and capable of getting others excited too. The managers in our study appear to be good communicators, and clearly establish their expectations and give people the information they need to meet those expectations. The US managers see themselves as far more wedded to the past than the Italians, but also more strategic and big picture orientated. They also report that they engage others to get things done. Although the Americans view themselves as more comfortable in the leadership role and in setting high standards for performance, the Italians appear to be more willing to act decisively, and to be forceful, assertive and competitive.

The Netherlands Managers Compared to US Managers

The data highlighted several major differences between US and Dutch managers. The biggest difference is in terms energy. The Dutch managers saw themselves as operating with a higher level of enthusiasm and intensity than the Americans. This may mean that the Dutch have a greater capacity to infect others with their energy through the emotional expression of their passion for their work. Our study results indicate that the Dutch leaders have an informal, outgoing personal style that takes the initiative in reaching out to others. At the same time, the leaders from the Netherlands also see themselves very much as independent thinkers who look to themselves when making key decisions. US managers view themselves as much less independent, and more willing to follow the rules. They report more loyalty to both their boss and the organization. The US leaders have an orientation toward getting things done through a systematic and organized approach and are more apt to utilize guidelines and procedures than the more freethinking, enthusiastic Dutch.

Swedish Managers Compared to US Managers

The Swedish managers appear to have the most unique approach to the leadership role, and of all the European leaders we studied, their profile

differs most from the US profile. The hallmark of the Swedish style is consensus. Swedish leaders spend considerable time actively seeking the ideas and opinions of others, and involving others in the decision making process. This participative approach can help to develop individuals and may create a more satisfied work group. Swedish leaders also appear to be more oriented toward giving positive feedback when appropriate, and to address inadequate performance or inappropriate behavior when necessary. Swedish managers are less likely to clearly state what they want and expect from others, and spend time maintaining a precise and constant flow of information, when compared with American managers. The Swedish managers describe themselves as more innovative and more comfortable in fast-changing environments than the other managers (European and American) included in this study. They appear to be more open to new ideas, to taking risks, and to exploring the unknown. In contrast, the US leaders describe themselves as more wedded to the past and the status quo, and more likely to study problems in light of past experience. They also appear to be far more bound to the organization and organizational hierarchy. The Swedes' approach to leadership seems to embrace a flatter, more democratic and inclusive approach. However, the Swedish managers have a tendency to focus on their own priorities, and appear much less willing than the Americans to accommodate the needs of others, and forego achieving their own objectives in order to create the best outcome for the team.

UK Managers Compared to US Managers

Considering the long term historical and cultural bonds between the US and the UK, it is not surprising that our study found few major differences between the UK and US styles. The UK managers seem to be more likely to be independent thinkers, and to use their own enthusiasm and the skillful use of language to persuade others and to build commitment for their ideas and initiatives. The Americans are more likely to use their in-depth knowledge, along with past experience, to drive forward their ideas in a more assertive and competitive way. They describe themselves as far less likely than the UK managers to solicit ideas and input from others with whom they work or who work for them. Instead, the US leaders are more apt to look to those above them in the hierarchy for direction, and then to set high standards of performance based on the opinion of those in positions of authority.

Implications

Culture defines what people think is important, how they approach problem solving, and what they expect from leaders. Without some basic understanding of the cultural similarities and differences to be encountered on both sides of the Atlantic, it can be virtually impossible to truly be successful in today's global environment.

Richard Hill, author and lecturer, has pointed out that, "Self-awareness is the starting point for cultural awareness. To understand others you have to understand yourself – your values, what motivates you, what is your own culture." Global leaders need to understand their own approach to the leadership role, and what they think makes a manager effective. They also need to understand that individuals from other cultures may have vastly different approaches and different views of what is appropriate or inappropriate leadership behavior. No one is right or wrong, and the combined perspectives of several cultures can lead to even greater success than viewing the world and its opportunities through only one lens.

Because of history and geography, the Europeans have had much more practice at working across cultural boundaries. As we have seen, this experience seems to have informed their leadership style and approach to be more focused on people and relationships. As a group, they appear to be less oriented toward respect for authority and taking action through a structured hierarchy, and more oriented toward leading through personal influence. Many might find it surprising that the European leaders describe themselves as more energetic and outspoken than American leaders. They also appear to have a more democratic style than their US counterparts. The Americans, on the other hand, seem to bring a respect for the past, a commitment to maintaining personal expertise, and big picture thinking that can be lacking for some European managers. The US leaders describe themselves as more reserved, more comfortable being in positions of authority, more loyal to the organizations they work for, better team players, and more achievement driven.

The leadership talent on both sides of the Atlantic will be required to meet the challenges ahead. The managers who take the time to understand themselves and their own cultural biases, and how to value and work with others across cultural boundaries, will be the big winners in the decades to come.

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