UNIVERSITY OF LJUBLJANA
FACULTY OF ECONOMICS

MASTER'S THESIS

COMPARATIVE ANALYSIS OF LEADERSHIP PRACTICES IN SLOVENIA AND PORTUGAL

(PRIMERJALNA ANALIZA VODSTVENE PRAKSE V SLOVENIJI IN NA PORTUGALSKEM**)**

Ljubljana, December 2007 **ŠPELA KRŽIŠNIK**

IZJAVA

Študent/ka Špela Kržišnik izjavljam, da sem avtorica tega magistrskega dela, ki sem ga napisala pod mentorstvom doc. dr. Huga Zagorška in skladno s 1. odstavkom 21. člena Zakona o avtorskih in sorodnih pravicah dovolim objavo magistrskega dela na fakultetnih spletnih straneh.

V Ljubljani, dne_____

Podpis:_____

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1 INTRODUCTION

1.1 PROBLEM DESCRIPTION

"*The study of leadership rivals in age the emergence of civilization, which shaped its leaders as much as it was shaped by them. From its infancy, the study of history has been the study of leaders – what they did and why they did it*" (Bass, 1990, p. 3).

Leadership is necessary for a variety of reasons. On a supervisory level, leadership is required to complement organizational systems (Katz & Kahn, 1978) and to enhance subordinate motivation, effectiveness, and satisfaction (Bass, 1990). At the strategic level, leadership is necessary to ensure the coordinated functioning of the organization as it interacts with a dynamic external environment (Katz & Kahn, 1978). Moreover, leadership in organizations often plays a critical role, and is frequently one of the major drivers of the success or failure of a company (Bass, 1990). Consequently, leadership has been a topic of study for social scientists for much of the 20th century.

Given the increased globalization of business, cross-national operation are common, which increases the interaction and relationship between people from different national cultures. The success of these cross-cultural business operations depends on the ability of the parties to understand and predict their counterpart's behaviors (Matviuk, 2007). With the globalization of economic activities, cultural awareness becomes one of the most critical make-or-break factors in successful business operations (Redpath and Nielsen, 1997). Thus, it is reasonable to argue that cultural differences should not only influence the kind of leadership that will be attempted, but will also influence the effectiveness of specific leadership actions, behaviors, or styles. It is believed that effective organizational leadership is critical to the success of international operations.

Building upon that, there is no doubt how important is to achieve better understanding of culture influence on leadership effectiveness. As Brodbeck (2000) states, the more we know about the leadership/culture impact point, the more effective the management of today's and tomorrow's diversity will be. In this regard empirical data on the cultural variation of leadership concepts can be helpful. Unfortunately, the literature provides little in the way of guidance for leaders and organization facing challenges such as design of multinational organizational structures, the identification and selection of leaders appropriate to the cultures in which they will be functioning, the management of organizations with culturally diverse employees, as well as cross-border negotiations, sales, and mergers and acquisition (House & Javidan, 2004).

Cross-cultural research is needed to fill this knowledge gap. As Trinadis (1993) notes, through the study of cross-cultural leadership, we may better understand how cultural variables function as parameters of leadership theories. Moreover, through cross-cultural research, we may determine which aspects of leadership theory are culturally universal and which aspects are culturally unique. An understanding of the cultural variation in leadership concepts and of the particular traits and behaviors associated with such variation can help managers to predict more accurately potential problems within cross-cultural interactions at work. Cross-cultural research may also help uncover new theoretical relationships by forcing the researcher to consider a much broader range of noncultural variables.

Although cross-cultural research literature has increased substantially in the past decade, it is often atheoretical, fraught with methodological problems, and fragmented across a wide variety of publication outlets. It is obvious that more cross-cultural leadership research is needed, if leadership literature is to assist leaders in adapting to cultural constraints (House et al., 1997).

1.2 PURPOSE AND OBJECTIVES OF THE THESIS

Leadership has been studied in many different ways, depending on the researcher's conception of leadership and his or her methodological preferences. A review of the leadership theory reveals an evolving series of 'school of thoughts' from "Great Man" and "Trait" theories to "Transformational" leadership. The most advanced leadership theories in the sense they provide an explanation for the exceptional influence some leaders have on subordinates, a level of influence not adequately explained by earlier theories, are neocharismatic or transformational leadership theories. Therefore, the focus of this thesis, especially the empirical part will be on neocharismatic or transformational leadership. Moreover, actual leadership practices (behaviors) in Slovenia and Portugal will be studied. The study aims to clarify how important impact culture has on leadership behaviors, by first developing the theoretical framework and then empirically investigating the differences and similarities in the usage of leadership practices of MBA students in the two countries studied.

As aforementioned, the master thesis will study actual leadership behaviors (practices) in Slovenia and Portugal, two quite different European countries but at the same time also very similar. According to GLOBE (House et al., 2004) clustering of societal cultures, Slovenes belong to Eastern European cluster that is based on Soviet hegemony while on the other hand Portuguese belong to the Latin European cluster that consists of the regions influenced by Roman culture. The characteristic of the two countries studied is also a large geographic distance, difference in the history and in the language. However, when looking more deeply

into the country profiles, many similarities emerge especially in country heterogeneity, development, the economic situation and also some social and demographic factors. Therefore, the main research question that will guide the theoretical and empirical research in this study is:

What are the differences in the actual usage of leadership practices (behaviors) in Slovenia and Portugal?

Some additional research issues following the main research question that will be investigated in the study are:

- For which leadership practices the differences are the highest and for which the lowest or not exist?
- Which are the most frequently used leadership practices and which the least?
- To what extent does culture influence leadership practices in Slovenia and Portugal?

1.3 METHODS OF ANALYTICAL APPROACH

In order to answer the research questions, and to gain an overview of this topic, secondary research was conducted. It is based on a review of available literature concerned with leadership, culture and cross-cultural research. The literature review provides a large quantity of information and knowledge which is invaluable for understanding the meaning of cultural influence on leadership.

The theoretical part is followed by the empirical research that is based on a comparative survey among Slovene and Portuguese MBA students or their equivalents. A standardized survey instrument – the Leadership Practices Inventory (Kouzes & Posner, 1993) is used to collect responses on the self-reported usage of five transformational leadership practices from two national samples. For a comparative country overview, the information is gathered from different secondary sources.

1.4 STRUCTURE OVERVIEW

The thesis is divided into 7 chapters that can be roughly organized in two parts, theoretical and empirical. The theoretical part consists of Chapter 2, while empirical part is found in chapter 5. Chapter 3 (Comparative Country Overview) and Chapter 4 (Cross-Cultural Research) are somewhere in between, containing both theoretical and empirical elements.

In the **introductory part**, the problem, purpose and objectives are defined. Methodology, which is used and applied in the research, is also presented. And finally, the introduction is completed with a structure overview. In **Chapter 2**, two broad knowledge areas that represent the foundation for cross-cultural leadership research are presented: leadership theories and cultural theories. The first part of the chapter, leadership theories try to provide an understanding what leadership means and what kind of behaviors it includes. An overview of major leadership theories is made. The concept of culture is presented in the second part of the chapter which is followed by a review of several models of culture that examine "dimensions" of culture upon which the countries can be measured and compared. The chapter ends with section where cultural influence on leadership is described. The section explains how culture might influence leadership behaviors and why cross-cultural leadership research nowadays is needed. **Chapter 3** focuses on comparative country overview where some historical, cultural and economical insight into Slovenia and Portugal is made. Countries are also presented in terms of GLOBE cultural dimensions. The chapter ends with development of specific testable hypotheses that guide the empirical research. The **4th chapter** contains an overview of cross-cultural research design. In the beginning methodological problems that can influence survey results are discussed. What follows is a description of the most frequently used methods in cross-cultural analysis, survey instrument and sampling procedure. With the **5th chapter** empirical part begins. First, the characteristics of the sample are described. Second, the comparison of the actual usage of leadership practices across Slovenia and Portugal is presented. The comparison of the actual usage of leadership practices according to gender, age, working experience and business function is also made. Finally, the chapter is concluded by the assessment of the effect size of the cultural influence on leadership, as well as effect size of gender, age, work experience and business function. **Chapter 6** focuses on a discussion about results obtained. For similarities and differences in the actual usage of leadership practices possible explanations are described. In this chapter also research hypothesis are examined. **Chapter 7** summarizes the study. It discusses the major limitations and provides some suggestion for further research.

2 CULTURAL INFLUENCE ON LEADERSHIP

2.1 LEADERSHIP

Leadership is a subject that has longed excited interest among scholars and laypersons alike. Leaders as prophets, priests, chiefs, and kings served as symbols, representatives, and models for the people throughout history. The exploit of brave and clever leaders are the essence of many legends and myths. The practice and philosophy of leaders and leadership can be collected from writings as diverse in content, and books as those found in Greek classics such as Homer's Iliad, the Old and New Testament, essays about Confucius in China, and Machiavelli's rules and principles for obtaining and holding power in Italy. The study of history has been the study of leaders – what they did and why they did not. Over the centuries, the effort to formulate principles of leadership spread from the history and the philosophy associated with it to all the developing social sciences. Question about leadership have long been a subject of speculation, but scientific research on leadership did not begin until the 20th century.

Although the Oxford English Dictionary (1933) noted the appearance of the word "leader" in the English language as early as the year 1300, the word "leadership" did not appear until approximately 200 years ago in writings about the political influence in the British Parliament. The word also did not appear in the most other modern languages until recent times (Bass, 1990).

Leadership occurs in a variety of settings, from military to education, from business organizations to state administration, and from informal groups to large formalized corporations (Bass, 1990). In continuation of this study, the focus will be on organizational leadership that occurs in formal organizations and is usually executed by managers.

2.1.1 Definitions of Leadership

Despite the fact that literature on leadership is very large and ideas about leadership have been discussed for centuries, no unifying definition on leadership has emerged that satisfies all researchers. As Stogdill (1974) asserts, leadership, has as many definitions as there are persons who attempted to define the concept. Bass (1990) suggests that the hunt for a true definition of leadership seems to be fruitless' because the appropriate definition depends on the method used to observe leadership, the epistemological stance of the observer and the purposes to be served by the definition. Moreover, as Pfeffer (1997) noted, many of the definitions are ambiguous. Furthermore, the distinction between leadership and other social-influence process

is often blurred (Bavelas, 1960; Holander & Julian, 1969; Bass, 1990). Therefore, according to Spitzberg (1986) the meaning of leadership may depend on the kind of institution in which it is found.

The numerous definitions that have been proposed appear to have little else in common. They differ in many respects, including important differences in who uses influence, the purpose of influence attempts, and the manner in which influence is used (Yukl, 1989). Some of the better-known definitions are listed in the following paragraphs.

One of them is a definition by Yukl (1998) who identified leadership by the process of influencing others to understand and agree about what needs to be done and how it can be done effectively, and the process of facilitating individual and collective efforts to accomplish the shared objectives.

House and Shamir (1993) define leadership as the ability of an individual to motivate others to forego self interest in the interest of a collective vision, and to contribute to the attainment of that vision and to the collective by making significant personal self-sacrifices over and above the call of duty, willingly.

Schein (1985) identifies leadership as the ability to step outside the culture to start evolutionary change processes that are more adaptive.

The GLOBE researchers developed collective understanding of leadership concept which says that leadership is the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organization of which they are members (Dorfman & House, 2004)

Zagoršek (2004) defines leadership as an influence process between leader and followers, where the leader influences, motivates, and facilitates the activities of an organization group toward goal achievement, through mostly noncoercive means.

There are many more definitions of leadership that appeared over the years but, at this point there it is no need to go into deep analysis of them.

According to Janda (1960), definitions of leadership usually have as a common denominator the assumption that it is a group phenomenon involving interaction between two or more persons. In addition, most definition reflects the assumption that it involves an influence process whereby intentional influence is used by the leader and followers. Leadership can be viewed as a process that includes interaction among leader, follower and situation. In principle, leadership can be defined as the nature of the influencing process and its resultant outcomes that occurs

between a leader and followers and how this influencing process is explained by the leader's dispositional characteristics and behaviors, follower perceptions and attributions of the leader, and the context in which the influencing process occurs (Yukl, 1989).

A definition of leadership also requires that we differentiate it conceptually from management, because this concept is often confused with leadership. As regards its differentiation from leadership, *management* is objective driven, resulting in stability based on rationality, bureaucratic means, and the fulfillment of contractual obligations. Although some view leaders and managers as different sorts of individuals, others argue that successful leadership requires successful management, that leadership and management are complementary, that leadership goes beyond management, and that leadership is necessary for outcomes that exceed expectations (Bass, 1985; Antonakis, Cianciolo, Sternberg, 2004).

2.1.2 Overview of major leadership theories

Leadership has been studied in many different ways, depending on the researcher's conception of leadership and his or her methodological preferences. There exist a great deal of terminological confusion and different authors have used different classification. Moreover, identified evolutionary eras also differ among different authors. A review of the leadership theory reveals an evolving series of 'schools of thought' from "Great Man" and "Trait" theories to "Transformational" leadership. While early theories tend to focus upon the characteristics and behaviors of successful leaders, later theories begin to consider the role and contextual nature of leadership.

Relatively few models and theories have dominated the research community, and many have been restatements of obvious. According to Yukl (2002) attempts to organize and classify the literature according to major approaches or themes have been only partially successful. The primary criteria for distinguishing between various approaches (perspectives, eras, school of thoughts) to leadership is the type of the variable, or combination of variables, that is emphasized the most (leader traits, behaviors, follower attributions, etc.) (Zagoršek, 2004).

What follows is a brief and therefore simplistic description of some better-known theories of leadership.

2.1.2.1 Trait approach

Trait approach arose from the "Great Man" theory as a way of identifying the key characteristics of successful leaders. The "great man" school of thought suggested that certain dispositional characteristics or traits differentiated leaders from nonleaders. Early leadership

theories attributed leader success to possession of extraordinary abilities such as tireless energy, penetrating intuition, uncanny foresight, and irresistible persuasive power (Yukl, 1989). This approach was based on the idea that leaders were born, not made, and the key to success was simply in indentifying those people who were born to be great leaders.

A great number of trait studies were conducted during 1930s and 1940s to discover these indefinable qualities, but this massive research effort failed to find any traits that would guarantee leadership success (Yukl, 1989). Although some traits were found in a considerable number of studies, the results were generally inconclusive. Some leaders might have possessed certain traits but the absence of them did not necessarily mean that the person was not a leader. Therefore, the search for universal traits was abandoned and research efforts focused on other approaches such as behavioral approach.

2.1.2.2 Behavior approach

Given pessimistic reviews of the trait literature, the trait movement gave way to the behavioral styles of leadership in the 1950s. This line of research focused on the behaviors that leaders enacted and how they treated followers. The behavior approach emphasizes what leaders and managers actually do on the job. The overall goal of the approach was to identify and measure relevant leadership actions and behavioral patterns that lead to high subordinate productivity and morale. Thus, the research focus changed from what leaders are to what leaders do.

The series of programmatic studies conducted at **Ohio State University** and at the **University of Michigan** demonstrate the behavioral approach in work organizations. The Ohio State researchers found that subordinates perceives leader behaviors to fall into two independent categories. One category of leader behaviors is concerned with task objectives (*task- oriented*) while the other category is concerned with interpersonal relationship (*person-oriented*). Research was simultaneously being conducted in other universities, such as the Michigan University and similar results were found. Researchers were making progress in indentifying what behaviors differentiated leaders from followers so that the behavior could be taught.

Even though, the progress was made, the researchers were unable to identify leader behaviors that had universal effectiveness. It then became apparent that success of the style of leader behavior enacted was contingent on situation. As a result, leadership theory in the 1960s began to focus in leadership contingencies.

2.1.2.3 Contingency approach

Another approach to answering the question about the best way to lead dealt with the interaction between the leader traits, the leader behaviors, and the situation in which the leader exists. The contingency theories make the assumption that the effects of one variable on leadership are contingent on other variables. This concept was a major insight at the time, because it opened the door for the possibility that leadership could be different in every situation (Saal and Knight, 1988; Horner, 1997).

According to contingency theories, leaders must correctly identify the critical characteristics of each situation, identify which leader behaviors are required, and then be flexible enough to exhibit these behaviors (Howell et al., 1990; Dorfman, 1996).

The major contribution to this approach made Fielder (1967), whose **Contingency Theory of Leadership** basic premise is that the situation moderates the relationship between leader personality traits and effectiveness. The leadership situation is characterized by the quality of leader-member relations, degree of task structure, and the leader's position power. According to this theory, task motivated leaders perform best in situations in which they have very high or very low potential power to influence group. While on the other hand, relationship-motivated leaders perform best in situation in which they have moderate control (Fielder, 1993; Dorfman, 1996).

Another well-known contingency approach was **Path-Goal Theory** of House (1971), which focuses on the leader's role in clarifying the paths what would lead to followers' goals. The theory suggests that leaders are primarily responsible for helping followers develop behaviors that will enable them to reach their goals or desired outcomes. Variables that impact the most effective leader behavior include the nature of the task, autonomy levels of the followers, and follower motivation (Horner, 1997). An example might clarify how the theory functions. For stressful, boring, or tedious tasks, supportive leadership will lead to increased subordinate effort and satisfaction (Dorfman, 1996).

A somewhat limited view of leadership was developed by Vroom and Yetton (1973) who developed a model called the **Normative Decision model** that specifies the type of decision procedure most likely to be effective in alternative situations. Use of the model does not result in a decision, but it prescribes the most appropriate decision process for the supervisor-autocratic, consultative, or participative (Dorfman, 1996).

2.1.2.4 Transactional approach

The central theory in this approach is the **Leader-Member Exchange Theory (LMX)** proposed by Graen and Uhl-Bien (1991). LMX theory describes the nature of the relations between leaders and their followers. High-quality relations between a leader and his follower are based on trust and mutual respect whereas low-quality relations between a leader and his followers are based on the satisfaction of contractual obligations. According to the theory, high-quality relations generate more positive leader outcomes than do lower-quality relations (Lowe & Gardner, 2000; Antonakis, Cianciolo & Sternberg, 2004).

Hollander & Offermann (1990) **Social Exchange theory** on the other hand, focus on the exchange between the leader and a group of followers. The main idea of this theory is that leadership is a dynamic process of interpersonal evaluation and exchange, where the leader earns or loses credit in the eyes of the followers. "Social exchange" exists between a leader and the other members of the group: the leader defends a course of actions, and the group affords the leader a greater (or lesser) degree of power, status, and influence based on the perceived success (or failure) of the plan. When the leaders plan succeeds, the leader wins a greater power and influence, while on the other hand if plans fail, leader will experience a loss of status and influence (Zagoršek, 2004).

2.1.2.5 Neocharismatic and transformational leadership theories

The major charismatic and transformational theories include those by House (1977), Burns (1978), Conger and Kanungo (1987), Kouzes and Posner (1987), Bennis and Nanus (1985), and Bass (1985). They are referred to as the "New Leadership" (Bryman, 1992), "Neocharismatic theories" (House & Aditya, 1997), or simply "Charismatic and Transformational theories" (Yukl, 1998). These theories help to explain the enormous emotional impact that powerful leaders can have in creating organizational excitement and commitment by focusing on the charismatic, transformational, or visionary nature of effective leadership. They provide an explanation for the exceptional influence some leaders have on subordinates, a level of influence not adequately explained by earlier theories. The new theories also acknowledge the importance of symbolic behavior and the role of the leader in making events meaningful for followers.

However, neocharismatic approaches have mostly excluded situation as an important variable in the leadership equation, suggesting that transformational type of leadership is universally effective (Zagoršek, 2004).

Bass's (1985) **Transformational and Transactional theory** is representative of charismatic theories which builds on Burns' (1978) Transforming Leadership Theory. The essential part of this theory is the distinction between *transactional leadership* and *transformational leadership*. Transactional leadership stems from more traditional views of workers and organizations, and it involves the position power of the leader to use followers for task completion. Transactional leadership motivates followers by providing task guidance, correcting performance flaws, and rewarding successful efforts basically using an exchange or transaction process with followers. Followers are motivated by self-interest and achieve an implicit bargain with the leader: "You work for me, do what I tell you, and I'll reward you when you perform well" (Dorfman, 1996).

On the other hand, transformational leadership searches for ways to help motivate followers by satisfying higher-order needs and more fully engaging them in the process of the work (Bass, 1985; Horner, 1997). In transformational leadership idealized (i.e., charismatic), visionary, and inspiring leader behaviors induce followers to transcend their interests for that of the greater good. Transformational leadership is based on the personal values, beliefs, and qualities of the leader, rather than on an exchange process between leader and followers.

According to Bass (1985) transformational leaders may expand a follower's portfolio of needs, transform a follower's self-interest, increase the confidence of followers, elevate followers' expectations, heighten the value of the leader's intended outcomes for the follower, encourage behavioral change and motivate others to higher levels of personal achievement (Bolden et al., 2003).

Transformational and transactional leadership are distinct, but not mutually exclusive processes. Bass (1985) asserts that transformational leadership augments the effect of transactional leadership on the efforts, satisfaction, and effectiveness of subordinates. Effective leaders use both types of leadership to achieve desired results.

Interest in this school of leadership has been intense. In a content analysis of articles Lowe and Gardner (2001) found that one third of the research was about transformational/charismatic leadership. Clearly, many scholars are studying transformational leadership, and it occupies a central place in leadership research (Northouse, 2004). Due to space limitation of this thesis all theories mentioned before by authors will not be described. The model in the neocharismatic approach that needs to be described in more detail is Kouzes and Posner's (1987) **The Five Practices Model** because it forms the theoretical foundation for the questionnaire used in this research.

Kouzes & Posner's Five Practices Model

Kouzes and Posner developed the five practices of exemplary leader theory and its assessment framework entitled LPI, which included five categories of 30 leader behaviors to get extraordinary things done. The LPI principles are similar in theory to transformational leadership, but Kouzes and Posner refer to transformational leadership as a style of commitment.

The authors[1] used an exploratory research design to obtain a profile of exemplary leadership, including in-depth interviews and written case studies from personal-best leadership experiences (behaviors). They have analyzed more than 1,200 "personal best leadership experiences" of managers and executives from various industries in the United States. Based on extensive case studies and interviews, they have identified five practices that are common to successful leaders:

1. **Modeling the Way** – good leaders lead by example. Their behavior, attitudes and actions reflects their beliefs and purposes. Modeling the Way begins with the clarification of personal values and involves building and affirming shared values that all can embrace. They are clear about their beliefs and understand that respect is earned by acting consistent with their beliefs. They practice what they preach. They focus on key priorities by making plans and breaking down big projects into achievable steps.

2. **Inspiring a Shared Vision** – effective leaders breathe life into the hopes and dreams of others. They enable them to see the exciting possibilities that the future holds. Leaders get others to buy into their dreams by showing all will be served by a common purpose. They understand people's needs and have their interest at hart.

3. **Challenging the Process** – leaders Challenge the Process by searching for opportunities and by experimenting, taking risk, and learning from mistakes. The work of effective leaders is change, and the status quo is unacceptable. They are open to receive ideas from anyone and anywhere. The leader's primary contribution is in recognizing and supporting good ideas and being willing to challenge the system to get new products, processes, services, and systems adopted.

4. **Enabling Others to Act** – they enlist the support of all those who are necessary to get results, as well as those who are affected by the results. Their role is to encourage

[1] Kouzes & Posner (1987; 2003)

collaboration and teamwork and "make it possible for others to do good work". They understand mutual respect is what sustains extraordinary efforts. The work of leaders is making people feel strong, capable, informed, and connected. They enable others to act, not by hoarding the power they have, but by giving it away.

5. **Encouraging the Heart** – the leaders are giving positive feedback, recognizing contributions and celebrating accomplishments.

Psychometric processes were then used to create the LPI instrument, which has been applied to over 350,000 managers and non-managers across a variety of organizations, disciplines and demographic backgrounds, over a 15-year period, and these studies consistently confirm its reliability and validity (Kouzes & Posner, 1988, 1990, 1993; Strang, 2005). The instrument measures each of five dimensions of leadership with 6 statements. Each statement was originally cast on a five-point Likert scale, and formulated in 1999 into more robust and sensitive ten-point Likert-scale with a higher value representing greater use of the measured leadership behavior (Kouzes & Posner, 2002). More details about LPI are described in the chapter on the methodology.

The outcomes of this model are typical of "neocharismatic" theories: increased follower satisfaction and commitment, an increase in their self-esteem, motive arousal, and emotions, and identification with the leader's vision and values, which all result in the followers' extra effort and increased performance of the unit or organization. The model includes many prescriptions and recommendations about the ways to improve leader effectiveness. It is highly regarded because of its ease of use and some evidence shows that it exhibits little cultural bias; that is, it can easily be used across boundaries (Kouzes & Posner, 2002; Zagoršek, 2004).

2.2 CULTURE

"*We think our minds are free, but , like captured American pilots in Vietnam and North Korea, we have been thoroughly brainwashed. Collective programming in our culture, begun in the cradle and reinforced in kindergarten, school and the workplace, convinces us that we are normal, others eccentric"* (Lewis, 2006).

Culture is to human collectivity what person in to an individual. In other words, culture determines the uniqueness of a human group in the same way personality determines the uniqueness of individual. Culture is also an essential part of cross-cultural leadership. The culture differences do not influence only the kind of leadership that will be attempted, but also

influence the effectiveness of specific leadership actions, behaviors and styles. Without some theoretical notions explaining culture and its effect on behavior of people, we cannot understand why leadership behaviors differ or not differ across cultures.

2.2.1 Defining culture

Culture is one of those broad-ranging concepts that everybody knows but no-one can define satisfactorily. Therefore there exist a number of definitions that in general are quite similar but approach the concept from a different angle. Generally, the definitions are so broad that they include almost anything and everything in the environment of human beings that is not immutably determined by nature.

In the literature, we discern at least two implicit ways of defining culture. First, culture often refers to collectives in which the members share several psychological commonalties – assumption, beliefs, values, interpretation of events, social identities and motives – and abide by a set of shared norms in common manner. These kinds of definitions are referred as *normative definitions* of culture. Alternatively, culture can be defined in terms of distinctive common experiences and environmental forces. Many such experiences and forces are tangible, measurable, and objective. We refer to definitions of this kind as experimental definitions (House, Wright, Aditya, 1996).

One of the best known and probably the most is the study by Kluckhohn. He clearly distinguishes culture from the limited concepts of ordinary language, history and literature. After examining more than a hundred definitions on culture, Kluckhohn (1951) suggested a very comprehensive definition of culture which says that culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consist of traditional ideas and especially their attached values (Hofstede, 2001).

A more recent metaphor of culture was created by Hofstede (1991), who compared culture to computer systems, thus culture is “the collective programming of the mind which distinguishes the members of one group or category of people from another. He calls such patterns of feeling, thinking, and acting “mental programs” or the “software of the mind”. This pattern of thinking, feeling and acting is shared with people who live within the same social environment. On the other hand, contemporary anthropologists define culture as “an ideational system” referring to “what humans learn, not what they do and make” (Keesing, 1981).

Despite large differences in defining culture, there are certain aspects that are common in all the definition. These aspects were identified by House, Wright and Adyta (1996) and are presented in **Table** 1.

Table 1: Aspects common in all the definitions of culture

- Culture represents some form and degree of collective agreement – cultures are collectively oriented phenomena.
- Culture refers to sharing of important interpretations of entities, activities, and events, that is, shared meanings.
- Individuals who share meanings are aware of this sharing. That is, it is not sufficient for members to have common interpretations of entities, activities and events. It is also necessary that there is awareness among the members that their interpretations are shared.
- These common interpretations result in discernible common patterns of shared cognitions, emotions, behaviors and norms.
- Cultural patterns are manifested linguistically, behaviorally, and symbolically in the form of artifacts.
- Common member experiences, most notably history, language, political and economic experiences, and religion are among the most important antecedents to the development of cultural patterns.
- Cultural patterns take on the force of social influence largely because members of collectivities identify with an agreed-upon specific set of values and common social identities.
- Common experiences and cultural patterns have powerful socialization effects on the members of collectives referred to as cultures.
- Cultural patterns and effects are transmitted across generations.
- The social influence of cultural patterns provides a set of compelling affective, cognitive, and behavioral, orientations for members of culture.
- Members of specific cultures are presumed to abide by the set of norms that reflect the above-mentioned commonalties

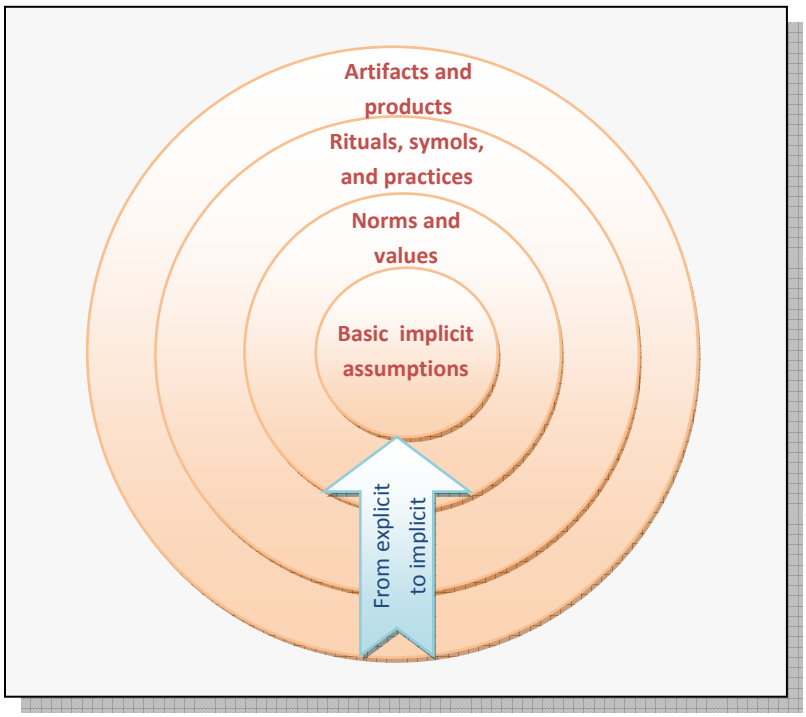
Source: House, Wright, Adyta, 2006

The review reveals that most authors agree that culture is a very complex term and difficult to define in words. Culture consists of several elements of which some are implicit and others are explicit. Most often these elements are explained by terms such as behaviors, values, norms, and basic assumptions (Groeschl, Doherty, 2000).

To simplify these classifications of manifestation of culture many authors use the layers of an onion (Figure 1) as a metaphor. Trompenaars (1998, p.6) says "*to understand it you have to unpeel it layer by layer*." On the outer layer are the objects, artifacts, and products produced by members of the culture. The second layer consists of symbols, rituals, heroes, and practices. In the third layer we find norms and values. *Norms* are the mutual sense a group has of what is a correct behavior. *Values*, on the other hand, represent the ideas people have of what is "good" and "bad", and are therefore closely related to the ideals shared by group. A culture is relatively

stable when the norms reflect the values of the group. Values and norms cannot be explicitly observed. They are expressed through the artifacts, products and practices. Beyond the values and norms, at the core of culture, exist some basic assumptions about human existence, the purpose of living, and the most appropriate solutions to some universal problems that all societies face.

Figure 1: The layers of culture



Source: Zagoršek, 2004.

Another aspect which is important to mention when studying culture is the existence of two major approaches: *emic* and *etic*. These terms were introduced in the 1960s by the linguist Kenneth Pike who coined the words "etic" for universal cultural elements, the elements that are similar across cultures and "emic" for the culture-specific, unique elements. Scientists usually favor either the search for similarities or the search for differences.

Most of the definitions of culture are difficult to operationalize. There is a significant debate about what level of analysis is desirable for the concept of "culture" to be a viable tool. Vast majority of cross-cultural studies operationalize culture on the basis of common experiences using nations, geographical regions, religion, or ethnic origin as their units of analysis (Bass, 1990; House et al., 1996). Nations or countries are being the most frequently used variable. Even though, this approach can be somewhat problematic because it ignores the existence of subcultures within the nation and the effects of international influence and globalization, it

provides a practical and reasonable way of operationalizing culture. One of the arguments that support this approach was given by Schwartz (1994) who notes that in one nation we can find usually a single dominant language, educational system, army, political system, shared mass media, markets, services and national symbols and that at least some degree of communality sharedness of practices, rules, rituals, values and norms as also beliefs of the members can be found.

2.2.2 Dimensions of culture

The comparison of cultures presupposes that there is something to be compared – that each culture is not so unique that any parallel with another culture is meaningless (Hofstede, 2001). One way to approach the study of culture is trough the identification and measurement of dimension of culture. The importance of culture dimensions is also that there are not many other ways to compare cultures scientifically. The dimensions identified differ among authors, but there is considerable convergence between them. By using this research approach the countries can be ranked on these dimensions and compared to other cultures in terms of quantitative scores. All of the models operationalize culture with the nation of respondents. In next section some of the most important models will be reviewed.

2.2.2.1 Hofstede's dimensions of culture

Hofstede's (1980) cultural dimensions are most prominent and widely used in the field. His study remains the most eminent piece of cross-cultural research. He derived his cultural dimensions from examining working related values in employees of IBM during the 1970's across more than 50 countries. From the individual responses to each question average values were obtained for each country and these values then were subjected to a factorial analysis. In his original work he identified four independent dimensions of national culture differences:

Power distance (PD) – the degree to which less powerful members of society accept and expect inequality in power distribution. High power distance means bigger inequalities of power and wealth and often comes together with strong class systems between which the mobility is restricted. Low power distance is an indication of society's attempts to de-emphasize these differences and promote equality and opportunity for everyone. In organizations, PD influences the amount of formal hierarchy, the degree of centralization, and the amount of participation in decision making. In large PD societies centralization is popular, there are wide salary range between top and bottom of organization, subordinates expect to be told what to do, and the ideal boss is a benevolent autocrat.

Uncertainty Avoidance (UA) - measures the level of tolerance for uncertainty and ambiguity within the society. This feeling is expressed through nervous stress and in a need for predictability. High uncertainty avoidance means low tolerance for uncertainty and leads to a rule-oriented society that with laws, rules, regulations and controls tries to fight the uncertainty. Low uncertainty avoidance countries are respectively more tolerate towards a variety of options and less concerned about uncertainty or ambiguity. They are therefore less rule-oriented, accept more readily change and take more risks. In organizations, UA is visible in the clarity of plans, policies, procedures, and systems.

Individualism vs. Collectivism (IDV) – the degree to which individuals are supposed to look after themselves or remain integrated into groups, usually around the family. Individualism pertains to societies in which the ties between individuals are loose; everyone is expected to look after himself and his immediate family. As opposite, collectivism pertains to societies in which people from birth onwards are integrated into strong, cohesive group, which throughout people's lifetime continue to protect them. In return, they have to remain loyal. In organizations, IDV is visible in autonomy, individual responsibility for results, and individual level rewards. In the individualistic society the task prevails over relationship. Hiring and promotion decisions are supposed to be based on skills and rules only.

Masculinity vs. Femininity (MAS) – the extent to which people prefer achievement, heroism, assertiveness, work centrality, and material success in contrast to relationship, cooperation, group decision-making, and quality of life. In masculine cultures the stress is in material success and assertiveness and assigns different roles to males and females. Males are expected to carry out the assertive, ambitious, and competitive roles while females are expected to care for the nonmaterial quality of life, for children and for the weak. On the other hand, societies classified as feminine cultures stress interpersonal and interdependent relationships, a concern for others, the overall quality of life, and define relatively overlapping social roles for males and females. In these cultures, neither male nor female need be ambitious or competitive. Organizations in masculine societies stress results, and want to reward according to performance while on the other hand, feminine societies are more likely to reward people on the basis of equality.

In his later work, Hofstede (2001) introduced a fifth dimension – **Long-Term Orientation**. This dimension was found in a study among students in 23 countries around the world using a questionnaire designed by Chinese scholars. Long-Term Orientation is characterized by persistence, ordering relationship by status and observing this order, thrift, and having a sense of shame, whereas short-term orientation is characterized by personal steadiness and stability, respect for tradition and reciprocating of greetings, favors, and gifts.

Hofstede's research has not escaped criticism. He was criticized because the data are based solely on a single multinational company and the sample was not large enough to be representative. The question is also how reliable are the scales used to measure country dimensions. Another aspect that faced criticism is equation of nation with culture. But the truth is that nations are often the only kinds of units available for such analysis. Many anthropologists believe that surveys are not suitable way of measuring cultural differences, and that only comprehensive field observation and qualitative research can fully explore the cultural patterns of a nation or cultural group.

2.2.2.2 Schwartz's Theory of Cultural Values

A different approach to finding cultural value differences has been taken by Schwartz (1994). Schwartz separated his work into an individual level-analysis and a culture-level analysis which is a major difference compared to Hofstede and Trompenaars work. From data collected in 63 countries, he derived a total of 10 distinct value types at an individual-level analysis. On the cultural-level he derived 7 value types on which cultures can be compared by considering three issues that confront all societies:

1) **Relation between the individual and the group**. This dimension is frequently labeled individualism-collectivism. There are two poles of these dimensions. One pole is labeled *conservatism* which emphasizes the maintenance of traditional values (status quo, propriety, and restraint of actions that might disrupt the solidary group). The opposite pole promotes individual benefit, rather than group benefit. *Intellectual autonomy* is a cultural emphasis on the perusal of intellectual ideas and direction, whereas the *affective autonomy* value type places greater emphasis on pleasurable experiences.

2) **Ensuring responsible social behavior**. The first value type is *hierarchy* which emphasis an unequal distribution of power, roles and resources, whereas the *egalitarianism* gives greater emphasis on equality and the promotion of the welfare of others.

3) **Relation of humankind to the natural and social world**. The two present value types here are mastery and harmony. Mastery emphasizes getting ahead through active self-assertion (ambition, success, daring, competence), whereas harmony emphasizes a harmonious relationship with the environment.

2.2.2.3 GLOBE cultural dimensions

GLOBE program (House, 2004) is one of the most important studies in comparative leadership research and represents the most recent large-scale measurement of country culture scores. An extensive qualitative and quantitative study was conducted in 62 cultures with the aim to explore effects of culture on leadership, organizational effectiveness, economic competitiveness of societies, and the human condition of members of the societies studied. During the mid-1990s, a large multinational team of 170 researchers throughout the world collected data from more than 17,000 middle managers in 951 organizations in telecommunications, food processing, and finance industries. The research represents the biggest replication and extension of Hofstede's culture dimension research to date, promising to deliver comprehensive and up-to-date results. The authors[2] identified nine cultural dimensions illustrated in **Table 2**.

The perspective guiding GLOBE is that culture is a set of basic and shared practices and values that evolve over time and help human communities find solutions to problems of external adaptation (how to survive) and internal integration (how to stay together) (Schein, 1992; Dorfman & House, 2004). Therefore, GLOBE measures both *cultural practices* (the way things are; the question *As is*) and *values* (the way things should be; the question *Should be*) at the organizational and societal levels of analysis[3]. The findings indicate that there are considerable differences in people's perceptions of how things should be as opposed to people's perceptions of how things are perceived to be. A high value score was often associated with a low practice score. As the researchers note (House & Javidan, 2004), this is contrary to conventional wisdom, which has been that people behave in a certain way *because they hold certain values in high esteem*.

Table 2: GLOBE nine culture dimensions

Power distance – is the degree to which members of organization or society expect and agree that power should be stratified and concentrated at higher levels. In high power distance societies society is differentiated into classes, power is seen as providing social order, information is localized and hoarded.	**Gender Egalitarianism** – the degree to which an organization or a society minimizes gender role differences while promoting gender equality. **Assertiveness** – the degree to which individuals are assertive, confrontational, and aggressive in social relationships. In high Assertiveness societies assertive, dominant and tough behavior for

[2] House et al. (2004)
[3] GLOBE practice and values scores for Slovenia and Portugal are presented in the third chapter.

Uncertainty avoidance – the extent to which members of an organization or society strive to avoid uncertainty by relying on established social norms, rituals, and bureaucratic practices. High UA societies use formality in interactions with others, rely on formalized policies, carefully calculate risks, show strong resistance to change. **Collectivism I,** *Institutional Collectivism* – the degree to which organizational and societal institutions practices encourage and reward collective distribution of resources and collective action. It may take the form of laws, social programs, or institutional practices designed to encourage collective behavior. **Collectivism II,** *In-Group Collectivism* – the degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families. In high In-Group collectivism societies duties and obligations are important determinants of social behavior, a strong distinction is made between in-groups and out-groups, the pace of life is slower.	everyone is valued. Societies value competition, success and progress. They emphasize results over relationship and reward performance. **Future Orientation** – the degree to which individuals engage in future-oriented behaviors such as investing in the future, planning and delaying gratification. **Performance Orientation** – the degree to which an organization or society encourages and rewards group members for performance improvement and excellence. Societies with high performance orientation value training and development, competitiveness and materialism, expect direct, explicit communication. **Human Orientation** – the degree to which collective encourages and reward individuals for being fair, altruistic, friendly, generous, caring, and kind to others. In high human orientation societies the interests of others are important, people are motivated primarily by a need for belonging and affiliation, people are urged to be sensitive to all forms of racial discrimination.

2.3 CULTURAL INFLUENCE ON LEADERSHIP

In the present global market, cross-national operations are common, which increases the interaction and relationship between people from different national cultures. The success of these cross-cultural business operations depends on the ability of the parties to understand and predict their counterpart's behaviors. Therefore, there is no doubt about the importance of achieving better understanding of how culture influences leadership effectiveness. As Brodbeck (2000) states, the more we know about the leadership/culture impact point, the more effective the management of today's and tomorrow's diversity will be. In this regard empirical data on the cultural variation of leadership concepts can be helpful.

"According to traditional theory, differences in assumptions, beliefs, values, meanings and social identities between cultures are believed to vary significantly in a wide range of behaviors of individuals and organizational practices" (House et al., 1996, p. 55). Leader attributes, behavior, status, and influence vary considerably as a result of cultural forces in the countries or regions in which the leaders function. What works in one culture may not necessarily work in another. Leadership is embedded in social and cultural beliefs and values, and cannot be fully understood apart from the context in which it exists. Moreover, Laurent (1986) posited that culture has three times more influence on key managerial assumptions and values than any other distinguishing characteristic, such as gender, level of education, or occupation. In consequence it is possible to affirm that leadership behavior expectations are culturally conditioned (Matviuk, 2007). "Culturally endorsed differences in leadership concepts can affect the reactions of others to a foreign manager in a way that hinder cross-cultural leadership success. The leadership perceptions of the perceivers in a host country (e.g. higher-level managers, colleagues and subordinates) determine whether a foreign manager is labeled a leader which, in turn, can determine the acceptance of his leadership traits and behaviors and the degree to which the foreign leader is perceived to be powerful, influential or efficient" (Brodbeck, 2000, p. 3).

In some nations, leaders are romanticized and glorified. In Arab countries for example, people worship leaders as long as they are in power. Often one can find public symbols or building and streets named in recognition and commemoration of leaders. In contrast, the Dutch are skeptical about the value of leadership and the term like leader and manager carry a stigma.

Which aspects of leadership are culturally universal and which are culturally unique, we can determine through cross-cultural research which will be discussed in more details in the next section of this chapter. At this point it is important to mention that leadership scholars diverge sharply on the issue of universality ("etic") against culture-specificity ("emic") of leadership.

From the culture-specific perspective there are eleven aspects of potential cultural influence which were comprehensively synthesized for the first time by Zagoršek (2004):

- Culture shapes the *image of the stereotypical (ideal) leader*
- Culture affects *personality traits and values* of leaders and followers
- Culture determines the actual *pattern of leadership behaviors*
- Culture affects the follower's *acceptance of leadership behaviors* and styles
- Culture affects the *effectiveness of particular leadership behaviors* and styles
- Culture affects the *importance of leadership outcomes*
- Culture determines the *emergence and legitimacy of leaders*

- Culture influences *the leader's reliance on various bases of power and influence tactics*
- Culture influences the *nature of relationship between leader and follower(s)*
- Culture provides *meaning to leadership behaviors and constructs*
- Culture creates *emic conceptions of leadership*

As for above mentioned aspects it is important to mention that this research considers culture to determine the actual pattern of leadership behaviors.

The argument of culture-specific position is that different environments create different leaders. While on the other hand, culture-universal perspective argues that although some differences across cultures exist, there are many more similarities than differences in leadership across the world. Lately, the leadership community begun to realize that universal and culture-specific leadership behaviors are not mutually exclusive categories, but can coexist in a single culture at the same time.

Returning to the cultural influence on leadership House, et al. (1996) came to two conclusions. First, the magnitude of cultural influence varies by kind of leader behavior under consideration. There are some classes of leader behaviors that are significantly influenced by cultural forces and some that are rather universal with respect to the frequency of their enactment, their meaning, acceptance and effectiveness. Second, the magnitude of cultural influences on frequency of enactment of selected leader behaviors, their acceptance and their effectiveness, are likely to be moderated by a number of noncultural variables such as physical climate, intensity and kind of international competition, military aggression, external political pressures, exposure to external sources of information, and organizational variables such as strategy, uncertainty of technology used, environmental uncertainty, demography and site.

2.3.1 Cross-cultural leadership research

The importance of cross-cultural leadership research has been roughly already explained in the previous section. Therefore, I will discuss only the most important facts relevant to cross-cultural leadership research.

From the practitioner's perspective, the cross-cultural leadership research is of the great importance because we need to compete internationally, and effective organizational leadership is critical to success of international operations. There is an increasing need for global leaders that are able to successfully operate in diverse contexts provided by cultures of different countries. Organizations and leaders are facing a lot of challenges which include the design of multinational organizational structures, the identification and selection of leaders appropriate to the cultures in which they will be functioning, the management of organization

with culturally diverse employees, as well as cross-border negotiations, sales, and mergers and acquisitions (House & Javidan, 2004). Unfortunately, the literature provides little in the way of guidance for leaders facing such challenges. “Practically, an understanding of the cultural variation in leadership concepts and of the particular traits and behaviors associated with such variation can help managers to predict more accurately potential problems within cross-cultural interactions at work (Brodbeck, 2000, p. 7). ”

Besides benefit to practitioners, there is also a scientific rational for conducting cross-cultural research. The general goal of science is to develop universally valid theories, laws and principles, leadership researchers should strive to develop leadership theories that transcend cultures (Dorfman, 1996). As Triandis (1993) suggests, leadership researchers will be able to fine-tune theories by investigating cultural variations as parameters of the theory. Moreover, cross-cultural research may also help uncover new theoretical relationships by forcing the researcher to consider a much broader range of noncultural variables. Cultural variations may therefore highlight relationships between theoretical constructs and specify important theoretical boundary conditions (Dorfman, 1996).

Although, the research literature on cross-cultural leadership has increased substantially in the last decades, it is often atheoretical, fraught with methodological problems, and fragmented across a wide variety of publication outlets (House & Javidan, 2004).

Bass (1990) reveals two major trends in the cross-cultural leadership literature. First, most of the studies have been conducted to examine the applicability of Western leadership theory in multiple national settings. In addition many studies use existing standardized US instruments which may not fully capture non-Western or non-US conceptualization of leadership. Second, a lot of effort has been made to compare leadership styles and requirements of small groups of nations. Usually the comparisons are made between US, Western European nations, Latin American nations, and Asian nations. But, since the Bass review, cross- cultural leadership theory and research has improved. More recent studies frequently are grounded in theory, comparing more than two or three countries, use sophisticated quantitative analysis and often use perspectives from researchers in non-Western countries (Dorfman, House, 2004). But the body of knowledge on cross-cultural leadership is still very limited and inadequate in many aspects.

3 COMPARATIVE COUNTRY OVERVIEW

"*For a German and a Finn the truth is the truth. In Japan and Britain it is all right if it doesn't rock the boat. In China there is no absolute truth. In Italy it is negotiable*" (Lewis, 2006, p.3).

A substantial amount of empirical research has demonstrated that what is expected of leaders, what leaders may and may not do, and the status and influence bestowed on leaders vary considerably as a result of the cultural forces in the countries or regions in which the leaders function. In order to understand the specificities and distinctive features of leadership in Slovenia and Portugal this chapter will give a short historical, cultural and economical insight into local conditions, processes and philosophies of both countries. Furthermore, the research hypothesis will be developed which will be based on the two countries comparison.

At first sight one could say that Slovenes and Portuguese do not have much in common. According to GLOBE clustering of societal cultures, Slovenes belong to Eastern Europe cluster which is based on Soviet hegemony while on the other hand Portuguese belong to the Latin Europe cluster which consists of the regions influenced by Roman culture. The geographic distance between countries is very large (Ljubljana – Lisbon: 2615 km), the history is totally different; the languages do not have much in common. But, looking more deeply into the country profiles we can find many similarities especially in country heterogeneity, country development, the economic situation before entering EU, and also some social and demographic factors (some can be seen in **Table 3**).

3.1 SLOVENIA

Slovenia takes its name from the Slovenes, the group of South Slavs who originally settled the area. From as early as the A.D. 800s, Slovenia has fallen under foreign control, gaining its independence only in 1991. For over 1,000 years, Slovenes lived mostly under German rule as part of the Holy Roman (962-1806), Austria (1806-1867), and Austro-Hungarian (1867-1918) empires. With the collapse of the Austro-Hungarian monarchy, Slovenes initially formed part of the State of Slovenes, Croats, and Serbs, which shortly joined Kingdom of Serbs, Croats and Slovenes, later renamed the Kingdom of Yugoslavia. Following the re-establishment of Yugoslavia at the end of World War II, Slovenia became a part of the Socialist Federal Republic of Yugoslavia till 1991 when declared independence.

Although Slovenia was a part of Yugoslavia from 1918 to 1991, the country has always identified strongly with central Europe, maintaining a balance between its Slavic culture and language and Western influences.

Nowadays, Slovenia, which has became a full member of the European Union in 2004, is a small emerging economy and a small country. With population of 2 million Slovenia is located in south central Europe and shares boundaries with Austria (north), Hungary (east), Croatia (south), and Italy (west). Slovenia is a country where influences from Mediterranean, Dinaric, Alpine and Pannonian world meet, mingle and merge.

Main ethnic group are Slovenians with 83%. The rest form nationalities, from former Yugoslavia (6.3%) and the Hungarian, Italian and Roma minorities (CIA World Fact Book, 2007). The official language is Slovenian, which is a member of the South Slavic language group. By the religion, Slovenians have traditionally been largely Roman Catholic.

Slovenia, with its historical ties to Western Europe, enjoys a GDP per capita (18,700 PPS[4]) substantially higher than that of the other transitioning economies of Central Europe and the newly joined EU countries. These figures are not only higher than those for all but one of the other new members (Cyprus) but also immediately place it above existing member Portugal and Greece. Slovenia benefits from a well-educated and productive work force as well as dynamic and effective political and economic institutions.

Conscious of its unique position as a bridge between east and west, Slovenia is developing its identity as a newly independent republic while maintaining a balanced relationship with the different cultures of its neighbors.

3.2 PORTUGAL

The territory which forms the modern Portuguese Republic has witnessed a constant flow of civilizations during the past 3,100 years, since the earlier pre-Roman inhabitants, to the Roman, Germanic, and Moorish peoples who made an imprint on the country's culture, history, language, and ethnic composition. During the 15th and 16th centuries, with its vast transcontinental empire, Portugal was one of the world's major economic, political, and cultural powers. Much of its empire was lost to the British and the Dutch in the 17th and 18th centuries, and the remaining colonies in Africa became independent in the 20th century. From 1932 to 1968 the country was under dictatorship from António de Oliveira Salazar who enforced a corporatist republic that was nationalistic, Catholic, authoritarian and essentially repressive.

[4] Expressing GDP in PPS (purchasing power standards) eliminates differences in price levels between countries (Eurostat yearbook 2006-07).

The country's dictatorship was overthrown in the April 25, 1974 and Portugal joined European Union in 1986.

Portugal is located in southwestern Europe on the Iberian Peninsula and it is the westernmost country of mainland Europe. It is bordered by Spain to the north and east and by Atlantic Ocean to the west and south. The climate can be classified as Oceanic in the north and Mediterranean in the south.

In the 2007 census the population was approximately 10, 6 million. By the end of 2003, legal immigrants represented 4,2 % of the population, and the largest communities were from Ukraine, Romania, Brazil, Cape Verde, and Angola, with other immigrant from parts of Latin America and Eastern Europe. The country is fairly homogeneous linguistically and religiously.

Approximately 94% of the population consider themselves Roman Catholic, the highest percentage in Western Europe. Under the dictatorship the state was established on the principles of traditional Roman Catholicism, with emphasis on order, discipline, and authority. Class relations were supposed to be based on harmony rather than on conflict. The family, the parish, and Christianity were said to be the foundations of the state.

Portugal has become a diversified and increasingly service-based economy since joining the European Community in 1986. Economic growth had been above the EU average for much of the past decade, but fell back in 2001-04. GDP per capita in 2005 was 16,700 PPS. As Portugal now struggles to maintain sustained growth and to narrow the gap with its trading partners, productivity and management effectiveness are key issues. One of the obstacles to greater productivity and growth is definitely a poor educational system.

Table 3: Overview of the countries studied

Country	**SLOVENIA**	**PORTUGAL**
GEOGRAPHY		
Location	Central Europe, eastern Alps bordering the Adriatic Sea	Southwestern Europe, bordering the North Atlantic Ocean, west of Spain
Area	20,273 sq km	92,391 sq km
Climate	Mediterranean climate on the coast, continental climate inland	Oceanic in the north and Mediterranean in the south
PEOPLE		
Population	2,009,245 (2007)	10,642,836 (2007)
Population growth rate	-0.065% (2007)	0.334% (2007)
Age structure	*0-14 years:* 13.7% *15-64 years:* 70.3% *65 years and over:* 16%	*0-14 years:* 16.5% *15-64 years:* 66.3% *65 years and over:* 17.3%

Ethnic groups	Slovene 83.1%, Serb 2%, Croat 1.8%, Bosniak 1.1%, other or unspecified 12% (2002)	Homogeneous Mediterranean stock with small black African and Eastern European minorities.
Religion	Roman Catholic 69.1%, Protestant 1.2%, Muslim 0.6%, atheist 5.3%, other 23.8%	Roman Catholic 94%, Protestant and other 6%
Languages	Slovenian 91.1%, Serbo-Croatian 4.5%, other or unspecified 4.4% (2002)	Portuguese
Literacy	NA	93.3%
Human Development Index	0.910 (27th in 2004)	0.904 (28th in 2004)
ECONOMY		
GDP - per capita (PPP)	18,700 PPS (2005)	16,700 PPS (2005)
GDP - real growth rate	4.4% (2006)	1.4% (2006)
GDP - composition by sector (Agriculture, industry, services)	2.3% 34.1% 63.6%	6.6% 28.6% 64.9%
Inflation rate (consumer prices)	2.5% (2005)	2.1% (2005)
Unemployment rate	6.5% (2005)	7.6% (2005)

Source: Eurostat yearbook 2006-07, CIA World Factbook, 2007, Human Development Report, 2006.

3.3 GLOBE CULTURAL DIMENSIONS FOR THE TWO NATIONS STUDIED

As stated in Chapter 2, GLOBE uses two measures of culture: practices (the way things are) and values (the way things should be). The research showed that attributes of societal success are strongly related to cultural practices, but attributes of outstanding leadership are strongly related to cultural values. When it came to using data collected about the nine dimensions to clarify leader behavior worldwide, the GLOBE researchers relied on the values data alone. In other words, their investigations led them to the conclusions that a society's values, far more than its practices, were strongly related to the six "culturally endorsed leadership theory dimensions," or "CLTs" (Groove, 2005). When individual think about effective leader behaviors, they are more influenced by the value they place on the desired future than their perception of current realities (House et al., 2004).

To examine the relationship between leadership practices and cultural dimensions in this thesis, the two country sample is not large enough.

GLOBE country culture scores for Slovenia and Portugal are presented in **Table 4**. For easier comprehension and to show relative position of the countries studied, absolute country culture

scores were converted to relative indices where the highest scoring country in the GLOBE sample receives an index of 100 and the lowest country an index of 0.

Table 4: GLOBE culture scores for Slovenia and Portugal

Absolute scores	**SLOVENIA**		**PORTUGAL**	
	Practices	Values	**Practices**	Values
Performance Orientation	**3.66**	6.41	**3.60**	6.40
Future Orientation	**3.59**	5.42	**3.71**	5.43
Egalitarianism	**3.96**	4.83	**3.66**	5.13
Assertiveness	**4.00**	4.59	**3.65**	3.58
Institutional Collectivism	**4.13**	4.38	**3.92**	5.30
In-Group Collectivism	**5.43**	5.71	**5.51**	5.94
Power Distance	**5.33**	2.57	**4.44**	2.38
Human Orientation	**3.79**	5.25	**3.91**	5.31
Uncertainty Avoidance	**3.78**	4.99	**3.91**	4.43
Relative scores				
	Practices	Values	**Practices**	Values
Performance Orientation	**26**	90	**23**	89
Future Orientation	**32**	58	**38**	59
Egalitarianism	**92**	83	**73**	98
Assertiveness	**41**	67	**18**	32
Institutional Collectivism	**45**	30	**34**	81
In-Group Collectivism	**67**	49	**70**	63
Power Distance	**75**	33	**81**	21
Human Orientation	**30**	48	**36**	51
Uncertainty Avoidance	**36**	75	**41**	52

Note: Absolute scores range from 1 to 7. Relative scores range from 0 to 100, with the highest ranking nation on each cultural dimension (out of 62 societies) receiving 100 and lowest-ranking receiving 0.

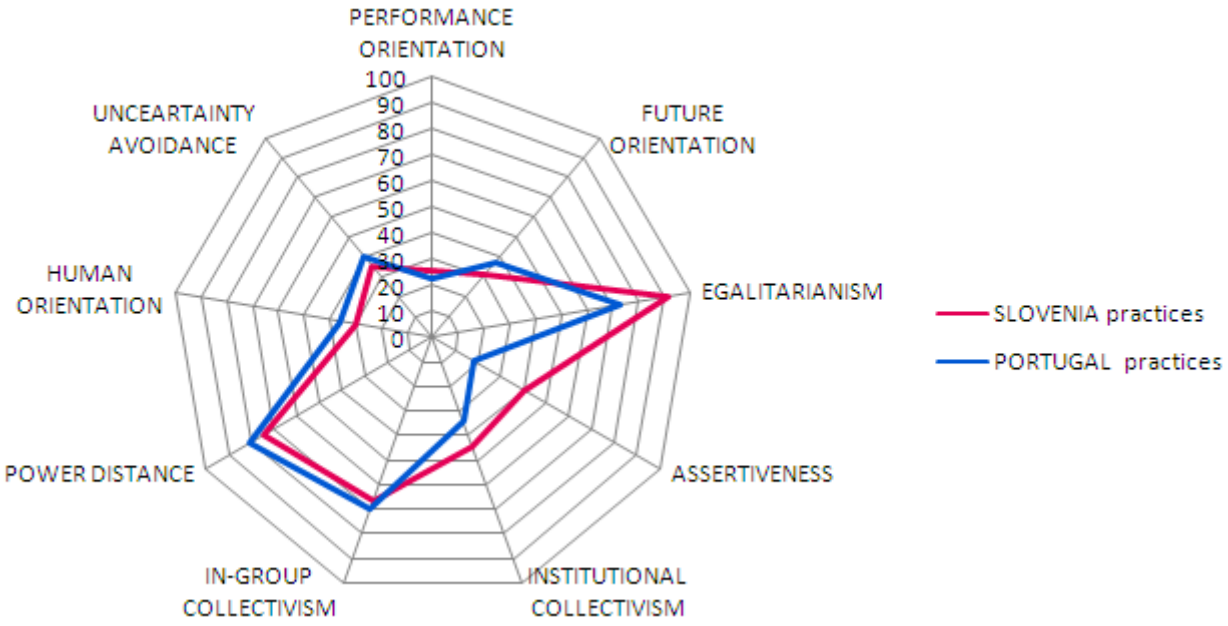
Source: GLOBE, 2004

On average, Slovene and Portuguese score high on Egalitarianism, on Power Distance and In-Group Collectivism. Slovenia scores very high on Egalitarianism whereas Portugal scores the highest on Power Distance. They both score low on Performance Orientation and Future Orientation while Portugal scores very low on Assertiveness. From **Figure 2** we can see that the biggest differences in practices are on Assertiveness, Egalitarianism and Institutional Collectivism.

According to GLOBE scores, we could say that Slovenia has more women in position of authority, there is less occupational sex segregation, males and females have similar level of educational attainment than in Portugal. On the other hand in Portugal people value

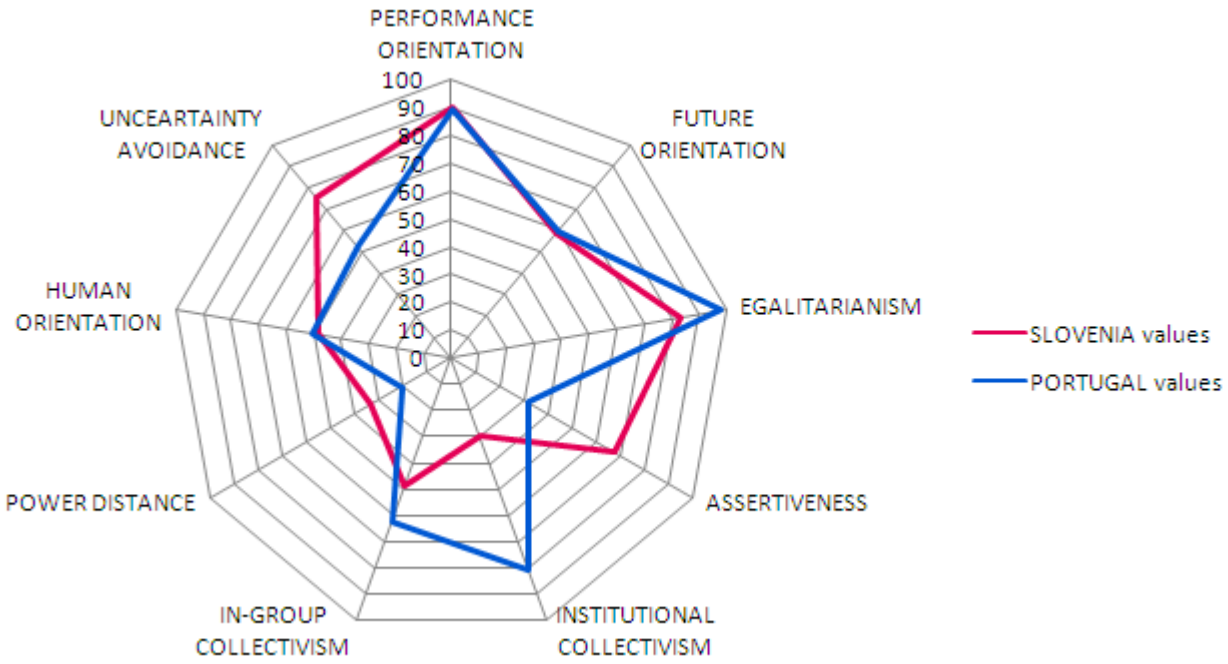
cooperation and warm relationship much more than in Slovenia, they also value harmony with the environment rather than control, and value who you are more than what you do.

Figure 2: Culture scores (practices) for Slovenia and Portugal



As it was previously mentioned the findings of GLOBE research indicate that there are considerable differences in people's perceptions of how things should be as opposed to people's perceptions of how things are perceived to be. In the case of Slovenia and Portugal this considerable differences can be seen from Figure 2 and Figure 3. The greatest differences between practices and values for both countries exist in dimension of Performance orientation and Power Distance.

Figure 3: Culture scores (values) for Slovenia and Portugal



3.4 GLOBE CLT leadership styles

GLOBE suggests that there are culturally based shared conceptions of leadership, referred to as culturally endorsed implicit theories of leadership (CLT). That is, members of cultures share common observations and values concerning what constitute effective and ineffective leadership. The six global CLT leadership dimensions are:

- Charismatic/Value –Based leadership,
- Team Oriented leadership,
- Participative leadership,
- Autonomous leadership,
- Human-Oriented leadership,
- Self-Protective leadership.

The GLOBE results suggest that two out of six global dimensions are universally perceived as contributors to effective leadership: Transformational/Value-Based and Team-Oriented. One

dimension is nearly universally endorsed as a contributor (Participative leadership), and one is nearly universally perceived as an impediment to outstanding leadership (Self-Protective leadership). The endorsement of the remaining two dimensions (Humane and Autonomous leadership) varies by culture. The CLT scores for Slovenia and Portugal are presented in **Table 5**.

Table 5: GLOBE CLT scores for Slovenia and Portugal

	Absolute scores	
	SLOVENIA	**PORTUGAL**
Charismatic/Value Based	**5.69**	**5.75**
Team-Oriented	**5.91**	**5.92**
Participative	**5.42**	**5.48**
Humane-Oriented	**4.44**	**4.62**
Autonomous	**4.28**	**3.19**
Self-Protective	**3.61**	**3.10**
	Relative scores	
Charismatic/Value Based	**61**	**64**
Team-Oriented	**80**	**80**
Participative	**58**	**62**
Humane- Oriented	**32**	**41**
Autonomous	**85**	**39**
Self-Protective	**51**	**27**

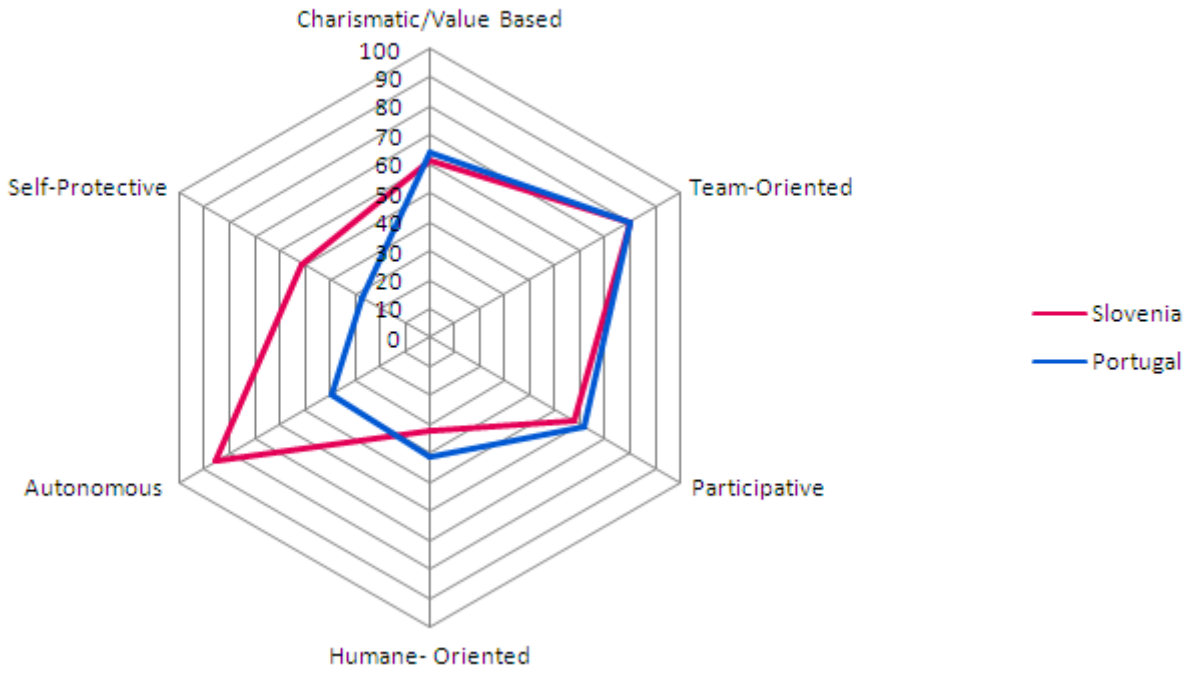
Note: Absolute scores range from 1 to 7. Relative scores range from 0 to 100, with the highest ranking nation on each cultural dimension (out of 62 societies) receiving 100 and lowest-ranking receiving 0.

Source: GLOBE, 2004

Team-Oriented and Charismatic leadership styles are viewed as most effective in both countries, and Humane and Self-Protective leadership are viewed as least effective.

It can be seen that among all 62 countries Slovenia scores quite highly on Team-Oriented and Autonomous and Portugal on Team-Oriented leadership. Both countries score somewhere in the middle on Charismatic/Value based leadership. Compared to other GLOBE countries Self-protective leadership is not perceived as being important for leader effectiveness in Portugal whereas in Slovenia this place goes to Human-Oriented leadership.

Figure 4: CLT scores for Slovenia and Portugal



3.5 RESEARCH HYPOTHESIS

The purpose of this research is to find out what are the differences in the actual usage of leadership practices in the two countries studied. The fundamental prediction in the thesis is that culture is one of the important factors that create differences in leaders' behaviors. Related to this and on the basis of the literature review and the country's distinctive characteristics, the main research hypotheses were developed. Most of the hypotheses refer to the cultural dimensions and Leadership Practice Inventory (LPI), which is the instrument, used to assess the neocharismatic leadership behaviors in the Five Leadership Practices framework by Kouzes & Posner (1987) and will be guidance for the empirical part of this research. It is important to mention that in this type of research both confirmation and disconfirmation of a particular hypothesis are equally interesting and equally important.

H1: *The significant differences in the usage of the five leadership practices across the countries studied will not exist.*

Several cross-cultural comparisons using Leadership Practice Inventory (LPI) have been conducted in the last decade that indicate that more similarities than differences exist in the usage of LPI practices across countries. Even where significant differences were found between

different nationalities, intra-country rank-ordering of practices did not differ. Kouzes and Posner (2002) report that few differences were found between the U.S. and United Kingdom managers working for the same multinational chemical company. Enabling Others to Act was rated most frequently by managers as well as their constituents from both countries. The same consistent pattern was observed for Inspiring the Vision and Challenging the Process. Within one large technology firm, no significant differences were found between U.S. managers and their counterparts in England, the Netherlands, or Germany. This was true for both LPI-Self and LPI-Observer scores. Additionally, a study involving American and Swiss managers found no differences on the leadership practices of Modeling the Way and Enabling Others to Act; and American managers reported more frequent use of Inspiring the Shared Vision, Challenging the Process, and Encouraging the Heart than their Swiss counterparts. Furthermore, middle-level Australian managers were matched with comparable U.S. managers and no statistically significant differences between the two groups were found for any of the five leadership practices. While the LPI scores of Mexican managers were, on average, lower than their U.S. counterparts, there were no differences between the two groups in the rank order of the leadership practices (Berumen, 1992).

H2: The least frequently used practice in both countries will be Inspiring the Shared Vision and the most frequently used practice will be Enabling Others to Act.

Kouzes & Posner made several cross-cultural comparisons of LPI scores. They found out the following rank ordering of the leadership practices: (1) Enabling Others to Act, (2) Modeling the Way, (3) Challenging the Process, (4) Encouraging the Heart, and (5) Inspiring the Shared Vision. The rank ordering in six country LPI scores comparison by Zagoršek (2004) was also found the same for five countries.

H3: Challenging the Process will be more frequently used practice in Slovenia than in Portugal.

According to House et al. (1996), in individualistic societies, people prefer individual rather than group compensation and exhibit greater willingness to take risk. Furthermore, Koopman et al. (1999) argue that high Uncertainty Avoidance cultures, with their resulting emphasis on rules and procedures, may place other demand on leaders than do low Uncertainty Avoidance cultures. Therefore, it could be expected that respondents from countries that are high on Uncertainty Avoidance will not Challenge the Process as much as respondent from low Uncertainty Avoidance cultures (Zagoršek, 2004).

H4: Enabling Others to Act will be more frequently used practice in Portugal than in Slovenia.

In the section where cultural dimension for both companies were presented we could see that Portugal scores much lower on Assertiveness than Slovenia. One of the characteristics of societies that score low on Assertiveness is that such societies value cooperation more than competition and associate competition with defeat and punishment. Therefore, by the fourth hypothesis I predict that there will exist statistically significant differences in usage Enabling Others to Act practice between Slovenia and Portugal.

4 CROSS-CULTURAL RESEARCH

The comparative approach to the study of society has a long tradition dating back to Ancient Greece. Since the 19th century, philosophers, anthropologists, political scientists and sociologist have used cross-cultural comparison to achieve various objectives. In many respects, the methods adopted in cross-national comparative research are no different from those used for within-nation comparison or for other areas of sociological research. They cover a wide field of quantitative and qualitative research methods and perspectives. But there are some issues that might be ignored in monocultural context, whereas cannot be in cross-cultural research.

Cross-cultural comparative research carries with it some unique problems and several methodological issues not common to single country research. Cross-cultural research is required to pursue strategies that try to come to terms with the fact that concept may not be identical or comparable and that an instrument appropriate and adequate in one context may not be adequate in another (Harknes et. al, 2003). Previous to analysis of survey results and its interpretation it is important to discuss some of these methodological problems.

4.1 METHODOLOGICAL ISSUES

Each culture views life in a unique fashion based on the norms, values, attitudes, and experiences particular to that specific culture. Thus, the comparability of any phenomena can pose a major methodological problem in international research. According to Triandis (1994) it is easy to obtain differences across cultures. The question is, is the difference a substantive finding, or is apparent difference due to something that is indirectly associated with the measurement. Some of the plausible causes, called also “rival hypothesis” listed by Triandis (1994) are:

- The two cultures may have a different definition of a concept.
- The instructions may not be understood the same way.
- The level of motivation of the two samples may be different.
- The reaction to the experimenter may be different.
- The meaning of the test situation is not always the same.
- Response sets differ across cultures.
- The level of emotional involvement or panic may not be the same.
- The two samples, in the two cultures, may not have been strictly equivalent.
- The ethical acceptability of the method many not have been the same.

To establish a "real" cultural differences it is important to eliminate all plausible "rival hypothesis" that my account for the observed difference. In theory there exist many suggestions how to eliminate them but in practice, this is often impossible to do, and some rival hypotheses are bound to exist for the results of the majority of cross-cultural studies.

In comparative research, the quality of conclusions drawn depends on the quality of each of the separate national studies. If any of these are flawed, both similarities and differences between countries can be methodological artifacts (Braun, 2003). Monocultural survey research can look for differences and similarities assuming ceteris paribus. But, comparative research must make explicit statements about the comparability, validity, and reliability of measurement (Harkness, Mohler & Van de Vijver, 2003).

Impact on the comparability of measures across cultures has definitely the presence of bias and error. Bias refers to the presence of nuisance factors that challenge the comparability of scores across cultural groups. If scores are biased, their psychological meaning is culture dependent and group differences in assessment outcome are to be accounted for, at least to some extent (Van de Vijver, 2003). Van de Vijver and Leung (1997) identify three types of bias. The first, called *concept bias*, refers to nonidentity of theoretical concept across groups. A second type of bias, called *method bias*, involves all the sources of bias arising from methodological aspects of study, including sample incomparability, instrument differences, interviewer effects, and the mode of administration. The third kind of bias, *item bias*, refers to anomalies at the level of item (Harkness, Mohler & Van de Vijver, 2003).

In order to detect and/or prevent bias, it has to be recognized what can lead to bias. ***Method bias*** can arise from various sources such as from *response set*. Cultures often differ in their response sets which are extremely troublesome for cross-cultural survey research. Ganster, Hennessey and Luthans (1983) note that biases may mask significant relationship between two variables, provide a false correlation, or moderate the relationship between two variables (Dorfman, 1996).

Another source of method bias comes from *social desirability* that is defined as the tendency of individuals to present themselves in a favorable light. It is likely that social desirability varies across cultures (Hofstede, 1980) and therefore, may be a particularly problematic response bias in cross-cultural research (Randall, Huo, & Pawelk, 1993; Dorfman, 1996). If members of one culture tend to respond in a socially desirable manner more than members of another culture, than apparent cultural differences may simply reflect differing response sets (Trinadis, 1972; Dorfman, 1996). The tendency to respond in a socially desirable manner may be particularly prevalent in cultures that are high in collectivism and power distance.

Another bias concerns the failure to use *extreme ends of the scale*. For Mediterranean cultures this may be due to a belief that extreme responses are sincere and reflect your true feelings. Another response set involves a tendency to respond either positively or negatively despite true feelings. Inconsistent test administration and differing motivation levels among respondents may exacerbate response bias problems in cross-cultural research (Dorfman, 1996).

Although ***item bias*** can also arise in various ways, poor item translation, ambiguities in the original item, low familiarity/appropriateness of the item content in certain cultures, and the influence of cultural specific such as nuisance factors or connotations associated with the item wording are the most common source (Van de Vijver, 2003).

It is important to note that bias can arise in all stages of a project. In the treatment of bias two kinds of approaches have been proposed. The first focuses on instrument and sample design. The second approach amounts to the application of statistical techniques for the identification, and in some cases, correction of bias (Braun, 2003). Various statistical techniques can be used to discover whether the same underlying construct is measured across cultural groups. But, it is important to know only the combination of appropriate design and proper statistical analysis can help to maximize the validity of cross-cultural comparison (Van de Vijver, 2003a).

There is no magic recipe for acquiring a less culturally framed perspective. Deciding how best to design, implement, and interpret a multicultural survey thus involves dealing with complex theoretical considerations about the validity of hypothesis, on the one hand, and determining how best to measure and interpret social phenomena across cultures on the other (Harkness et al., 2003).

4.2 METHODS OF CROSS-CULTURAL ANALYSIS

House, Wright and Aditya (1996) describe three basic methods of analysis that may be carried out in cross-cultural research. They refer to Hofstede, Bond and Luk (1993) that argue forcefully that it is necessary to be clear about the level of analysis employed in quantities comparison among cultural entities. Choosing the appropriate level of analysis for the problem at hand is a major problem in a lot of social science research; a problem which, amazingly, is far too seldom recognized.

The first and the most frequently used method is **comparison of group means**. The vast majorities of comparative quantitative studies of cultural units take groups of individuals, and examine group means of individual scores based on numerical responses to questionnaires. Most frequently, such mean data are taken to represent “cultural” level variables defined a-

priori on the basis of theoretical or conceptual definitions. These group means are then compared across-cultural units, generally using rank ordering and such statistical methods as analysis of variance or paired comparison. The level of analysis here is the cultural group.

A second method of analysis is the computation of **correlations** between variables. Correlations can be computed at several levels of analysis. In *pan-cultural analysis* once can obtain a correlation between two variables taking all individual observations regardless of the cultural unit to which the observation belongs.

A set of within group correlation can also be computed between two variables. This results in as many correlations of the two variables as there are cultural units in the sample. Hofstede, Bond and Luk (1993) refer to this *as within group analysis*. The level of analysis here is the group.

Correlations can also be computed between the two variables using group means (where the groups are cultural units) instead of individual scores. The unit of analysis here, as in the previous case, is the cultural group, but in this case we obtain information on the relationship between variables *across* groups. This level of analysis following Hofstede, Bond and Luk (1993) is *ecological analysis*.

The last one is the *individual analysis* where all individual scores are taken together, but the cultural component of the score is eliminated by subtracting the group mean from each individual score.

A third method of analysis is aimed at extracting cross-cultural dimensions or factors, and is based on some form of statistical procedure such as **factor analyses** or **multidimensional scaling**. This method presupposes a large number of variables, but is based on correlation again, so the various levels of analysis discussed under method two above are applicable to this method as well.

The major methods used in this thesis are comparison of group means. The techniques used for comparison of differences and determination of effect size are analysis of variance.

4.3 SURVEY INSTRUMENT

Transformational leadership behaviors of Portuguese and Slovene respondents were measured with the Leadership Practice Inventory (LPI), developed by Kouzes & Posner (1987) to assess the

five leadership practices[5] specified in their Exemplary Leadership Model. There are two versions of the LPI test, "Self" (self-report) and "Observer" version which allows for 360-degree feedback. In this research the "Self" version was used.

The LPI consists of thirty statements[6] that address the essential behaviors found when people report being at their personal best as leaders. Samples of these statements for each practice are shown in **Table 6**.

Responses were marked on a ten-point scale, with behavioral anchors. For each statement, respondents indicated the frequency with which the particular behavior is engaged in by the individual. Responses range from *1*, indicating "almost never" to *10*, indicating "almost always". A higher value represents greater use of leadership behavior. Six statements comprise each of the five leadership practice measures.

In addition to the LPI data, several demographic variables were collected during the administrations such as gender, age, education background, working experiences, some data about the current job, satisfaction with the job and importance of work. The questionnaire was translated into Slovene and Portuguese. The method used was one-to-one translation. The questionnaire used is presented in Appendix A.

Table 6: Sample statements from the LPI

PRACTICES	Sample statement
Modeling the Way (MW)	I set a personal example of what I expect of others.
	I follow through on the promises and commitments that I make.
Inspiring the Shared Vision (ISV)	I talk about future trends that will influence how our work gets done.
	I describe a compelling image of what our future could be like.
Challenging the Process (CP)	I seek out challenging opportunities that test my own skills and abilities.
	I challenge people to try out new and innovative ways to do their work.
Enabling Others to Act (EOA)	I develop cooperative relationships among the people I work with.
	I actively listen to diverse points of view.
Encouraging the Heart (EH)	I praise people for a job well done.
	I make it a point to let people know about my confidence in their abilities.

Source: : Leadership Practices Inventory (Kouzes & Posner, 2003).

[5] Five leadership practices are: Modeling the Way (MW), Inspiring the Shared Vision (ISV), Challenging the Process (CP), Enabling Others to Act (EOA) and Encouraging the Heart (EH).

[6] The full list of items (thirty statements) is provided in Appendix A.

4.4 SAMPLING

Sampling is a "highly technical aspect of survey research" that has significant implications for the quality of the data being collected. This observation applies particularly to comparative research projects where variation in sampling design is more or less unavoidable (Häder & Gabler, 2003). Of necessity, most cross-cultural research is based on convenience sampling rather than some form of systematic sampling to obtain representative samples of cultural entities. In cross-cultural research three levels of sampling can be distinguished. First, the decision which countries will be included in a study has to be made. Second, the sampling procedure in each country and decision about matching has to be chosen. Finally, individual within each subgroup in each culture are selected (Looner & Berry, 1986).

When making a decision which countries will be included in a study we know three different types of sampling cultural units. The first type is *convenience sampling*, which selects cultures purely on the basis of convenience – easy access to subject from selected cultures, acquaintance with the particular cultures, or availability of collaborators from particular cultures. The second way to select nations or cultural groups is by *systematic sampling*, which has a firmer theoretical basis. The third and the final approach is the *random sampling* of a large number of cultures.

For the purpose of this research the selection of cultural units was based purely on convenience sampling since all other alternative ways would exceed the extent of the master thesis research. Moreover, the access to subjects from selected cultures was easier, since I lived in both countries for a certain period. The study was conducted in two countries of the European Union, Slovenia and Portugal in the period between April and June 2007. Even though, the countries were selected on the basis of convenience sampling, they are quite similar in some respects which is a recommended selection when we are looking for differences (Häder & Gabler, 2003). The selected countries are presented in more details in the 3rd chapter.

The second step in sampling was made by the intra-country, person-level sampling where again more sampling strategies can be used. The first one, the most commonly used sampling method in cross-cultural research is *convenience sampling*. The second sampling strategy used is *simple random sampling*, where each subject of the particular culture has the same probability of being selected. Van de Vijver and Leung (1997) report that simple random sampling is often of limited utility in cross-cultural research. When simple random sampling has been applied, it is hard to conclude whether the cultural differences observed are due to valid cultural differences or to noncontrolled differences, such as education, occupation, or demographic characteristics.

In a study of highly dissimilar groups it may be desirable to adopt a sampling scheme that allows us to control for at least some of the cultural differences (Van de Vijver & Leung, 1997). This is the approach of *matched sampling* – the samples of the cultural groups to be compared are made as similar as possible in their demographic characteristics. The advantage of this strategy is that it reduces the number of alternative explanations for the differences observed and allows for better comparability of samples. The disadvantage of matched sampling is that it is not representative of culture, so one should be cautious with generalizations (Zagoršek, 2004).

In the intra-country, person-level sampling, a matched sampling design was used for this research. The sample was matched on education which is the most important demographic characteristic identified in cross cultural literature. "It forms part of a complex of which literacy, test-taking experience, urbanization, economic wealth, and acculturation all form a part. It is hard even to imagine a survey measurement unaffected by [it]" (Berry et al., 2002). As a subject of the research MBA students or their equivalents in both countries were selected.

A major advantage of MBA student sampling is that respondents in each sample come from a wide variety of industries, companies and departments, so the sample is quite heterogeneous. It is far from being representative of a particular nation, but it is certainly more characteristic of the population of managers than a sample of managers just one of a few companies from a single industry, which is common in cross-cultural leadership studies (Zagoršek, 2004). Since in the sample in both countries also former MBA students were selected it can be said that majority of them actually have work experience and many of them are already in management positions.

The data was collected in the period between April and June 2007. The Leadership Practice Inventory (LPI) was distributed to MBA students or their equivalents in two different ways. First, the questionnaires were sent via email to former MBA students. Since the response was not high enough, LPI was administered to current MBA students and their equivalents during classes. The Slovene sample consisted of 115 respondents from the Faculty of Economics, University of Ljubljana. In Portugal data were collected from three institutions: Instituto Superior de Ciências do Trabalho e da Empresa, Instituto Superior de Economia e Gestão and Faculdade de Ciências Económicas e Empresariais (FCEE) da Universidade Católica Portuguesa from where 96 responses were obtained. All together, 211 responses were collected.

5 RESEARCH FINDINGS

5.1 REALIBILITY OF LPI

Before trying to statistically answer the research questions and test the proposed hypotheses, it is necessary to examine the actual characteristics of the LPI questionnaire using traditional reliability analysis. Reliability refers to the extent to which an instrument contains "measurement errors" that cause scores to differ for reasons unrelated to the individual respondent. The fewer errors contained, the more reliable the instrument, and instruments reliabilities above .60 are considered good (Aiken, 1997). One of the most commonly used indicators of internal consistency is Cronbach's alpha coefficient.

Reliability for the overall instrument equals .86. Reliability for its subscales ranges from .60 for the practice of Enabling Others to Act (EOA) to .75 for the practice Modeling the Way (MV). All reliability coefficients are the same or above a value of .60, indicating acceptable reliability. For a comparison, Kouzes and Posner (2002) reported a bit higher levels of internal reliability ranged from .75 for the practice Enabling Others to Act to .87 for the practice Inspire the Shared Vision and Encouraging the Heart.

5.2 DEMOGRAPHIC CHARACTERISTICS OF THE SAMPLE

Overall, the sample consisted of 211 respondents. Out of that 115 were Slovene and 96 Portuguese respondents.

The described method of data collection resulted with a sample of fairly equal gender distribution. 49.8 % of respondents in the whole sample were female and 50.2 % were male. In Slovenia females represented 50.4% of the Slovenian sample, whereas in Portugal females represented 49 % of the Portuguese sample. The average age of respondent in Slovenia was 28.9 and in Portugal 31.90 years. The majority of respondents in Slovenia were aged between 23 and 30 (73.9%), whereas in Portugal were aged between 26 and 35 years (64.9%).

Table 7: Age structure of the sample

Age/Country		< 25	26-30	31-35	36-40	41-45	>45	Total
Slovenia	N	26	59	17	7	6	0	115
	%	22.6	51.3	14.8	6.1	5.2	0	100
Portugal	N	13	33	28	9	7	4	94
	%	13.8	35.1	29.8	9.6	7.4	4.3	100

Greater part of the sample had economic and business educational background (57.9%) which was followed by engineering (13.4%) and social sciences (12.9%).

The work experience structure differs fairly between Slovene and Portuguese sample. The majority of Slovene respondents (65.5%) had less than 3 years of work experiences, whereas in Portugal half of the respondents (50%) had between 4 and 11 years of work experiences. The average length of work experience in Slovene sample was 4.46 years and in Portuguese sample 10.03 years.

53.4 per cent of respondents did not belong to any management level. In both countries studied, most of the respondents that were already managers belonged to the third and second level of management (Slovenia – 27.7 %, Portugal – 37.0 %). The majority of respondents (74 %) worked in privately owned companies with more than 50 employees that operate only in their country or are multinationals.

Overall, respondents had the most experience in finance & accounting (37.2%), marketing & sales (24.6%) and informatics (13.6%). A good deal of respondents in Portugal had experience also in HRM (15.2%).

5.3 COMPARISON OF THE ACTUAL USAGE OF LEADERSHIP PRACTICES

House, Wright and Aditya (1996) noted that, the first and the most frequently used method of cross-cultural analysis is comparison of group means. Moreover, these group means are then compared across-cultural units, generally using rank ordering. The second method of analysis used very often, is the computation of correlations between variables. What follows, is the presentation of the results obtained using the aforementioned methods of cross-cultural analysis.

5.3.1 Country mean score comparison

The most common techniques used to compare mean scores of cultural groups are t tests (in the case of two groups) and univariate or multivariate analysis of variance, with culture as the independent variable (Van de Vijver, 2003a). Therefore, in this section the simplest analysis of variance (ANOVA) was performed to determine whether there are differences among Slovenia and Portugal.

Analysis of variance (ANOVA) is the appropriate analysis when participants are assigned to or belong to one of two or more groups, each participant has a score on the dependent variable, and we wish to compare the means of the various groups on this dependent variable. The hypothesis tested is that the set of variable means is the same across groups (Landau & Everitt,

2004). ANOVA tells us how independent variables interact with each other and what effects these interaction have on the dependent variable (Field, 2000).

In the chapter 4, where the survey instrument was described it was explained that respondents indicated the frequency with which the particular behavior is engaged on a ten-point scale. Therefore, each leadership practice could be scored in a range of minimum 6 and maximum score of 60 points (6 items * 10). Responses on individual items for each country were aggregated to the five leadership practices.

Country mean scores are presented Table 8.

Table 8: Average usage of leadership practices

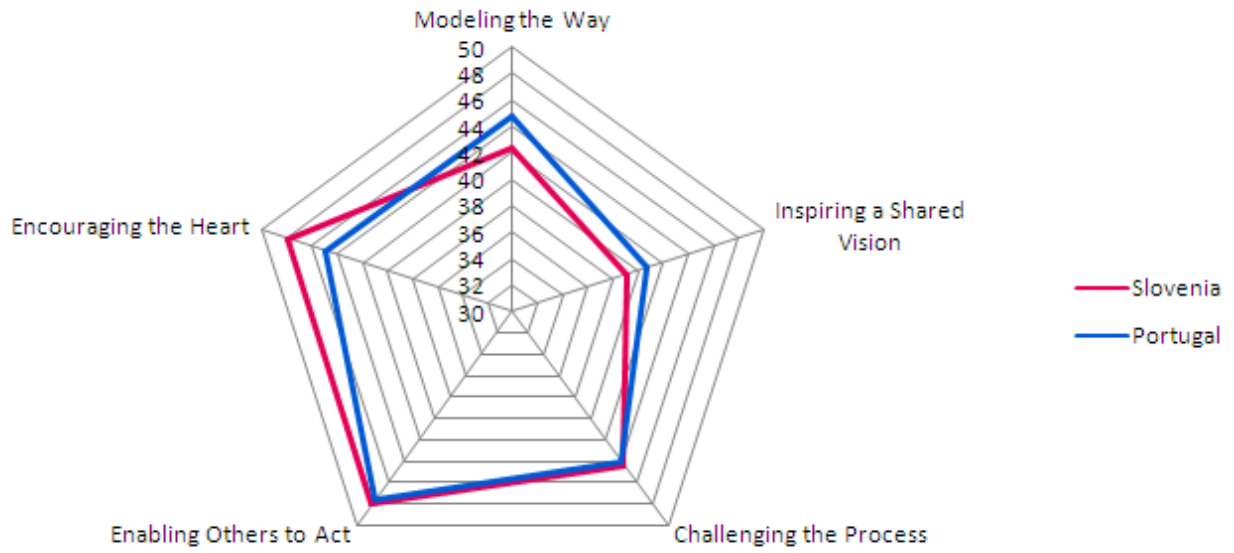
	Slovenia		**Portugal**			
	Mean	SD	Mean	SD	F value	p-value
Modeling the Way	42.37	6.59	44.81	6.70	7.06	**.008**
Inspiring a Shared Vision	39.10	7.31	40.79	9.33	2.19	.140
Challenging the Process	44.37	6.52	44.09	7.22	.082	.775
Enabling Others to Act	48.06	5.18	47.58	5.86	.394	.531
Encouraging the Heart	47.88	6.20	44.85	6.31	12.15	**.001**
LPI	44.35	4.97	44.43	6.02		

Note: SD = Standard Deviation

As it was expected, the LPI scores of respondents in Slovenia and Portugal were relatively similar. In both countries respondents quite frequently engaged in all five leadership practices. The highest score was obtained by Slovene respondents for the practice Enabling others to act (48.06). The lowest score was also obtained by Slovene respondents for the practice Inspiring a Shared Vision (39.10). Slovene respondents scored higher than Portuguese on the practices CP, EOA and EH, while Portuguese scored higher for the practice ISV and MW. In both countries, respondents scored highest for the practice EOA and the lowest for the practice ISV. The highest difference between means of two countries studied was for the practice Encouraging the Heart and Modeling the Way, and the lowest for the practice Challenging the Process.

The highest intra-country variability which is expressed by standard deviation was found for the practice Inspiring a Shared Vision, and the lowest for the practice Enabling Others to Act.

Figure 5: Average usage of leadership practices



Leven's test which tests the homogeneity of variance showed that variances for most of the practices were homogeneous. The exception was the practice Inspiring a Shared vision for which variances significantly differ between Slovenia and Portugal (p= .006). In this case, robust ANOVA was performed, which does not assume the equality of variances, using Welch and Brown-Forsythe procedure.

ANOVA revealed that for two practices score means were significantly different among the two countries studied. There were significant differences in the usage of the practice Modeling the Way ($F(1, 209)=7.06$, $p <0.05$) and Encouraging the Heart ($F(1, 209)=12.25$, $p <0.05$) between Slovenia and Portugal. Slovene respondents Model the Way significantly less than Portuguese, whereas Portuguese engage in the practice EH significantly less than Slovene.

For the practice Inspiring a Shared Vision, Challenging the Process and, Encouraging the Heart score means did not significantly differ from country to country. This means there was no significant effect of culture on the usage of leadership practices.

According to Kouzes and Posner (2002), LPI scores have been found, in general, to be unrelated with various demographic characteristics (e.g., age, marital status, years of experience, educational level) or organizational features (e.g. size, functional area, line versus staff position). However, due to the fact that Portuguese respondents were on average a bit older and much more experienced than Slovenes, a one-way ANOVA was conducted to explore the if there exist any differences in the usage of leadership practices according to this two variables. Moreover, there is a dearth of empirical studies about gender and leadership and great

controversy exists about the impact of gender on leadership. Therefore, the impact of a gender, age, work experience and business function was explored in this study. The results confirmed Kouzes and Posner (2002) findings which was in a way surprising due to the previously mentioned facts about the respondents. The results reviled that there were no statistically significant differences in mean scores between male and female, younger and older respondents, less and more experienced and mean scores according to business function.

Table 9: Significance of differences in mean scores according to demographic variables

		F-value	p-value
Modeling the Way	Gender	1.6	.211
	Age	1.49	.195
	Work experience	1.48	.199
	Business Function	1.35	.221
Inspiring a Shared Vision	Gender	.05	.831
	Age	1.57	.170
	Work experience	1.75	.124
	Business Function	.76	.638
Challenging the Process	Gender	.398	.529
	Age	.260	.934
	Work experience	.35	.884
	Business Function	1.56	.140
Enables Others to Act	Gender	.315	.575
	Age	.670	.647
	Work experience	.39	.856
	Business Function	.82	.588
Encouraging the Heart	Gender	.207	.649
	Age	.420	.834
	Work experience	1.64	.151
	Business Function	.65	.733

5.3.2 Rank-ordering

In addition to mean score comparison, intra-country rank-ordering has also been done. Kouzes and Posner made several cross-cultural comparisons of LPI scores and found out the following rank ordering of the leadership practices: (1) Enabling Others to Act, (2) Modeling the Way, (3) Challenging the Process, (4) Encouraging the Heart, and (5) Inspiring the Shared Vision.

The rank-ordering for Portugal and Slovenia is presented inTable 10.

Table 10: Intra-country rank-ordering

	Slovenia		**Portugal**	
	Mean	**Rank**	Mean	**Rank**
Modeling the Way	42.37	**4**	44.81	**3**
Inspiring a Shared Vision	39.10	**5**	40.79	**5**
Challenging the Process	44.37	**3**	44.09	**4**
Enabling Others to Act	48.06	**1**	47.58	**1**
Encouraging the Heart	47.88	**2**	44.85	**2**

The intra-country ranking for both countries is quite similar. In both countries, Enabling Others to Act is the most frequently practiced leadership practice which is followed by Encouraging the Heart. The variability for these two practices is the lowest in both countries which mean that respondents in both countries encourage collaboration and teamwork, delegate, give positive feedback, and recognize contribution quite frequently, but without larger deviations from the average. Inspiring a Shared vision is the least frequently used leadership practice in both countries. At the same time, the variability associated with it is the highest in both countries. This means that engaging in leadership practice varies greatly among the respondents in each country, where some respondents engage in this practice extremely frequently, while others engage in it rarely.

The difference in ranking between the countries studied is in the usage of the practice Modeling the Ways and Challenging the Process. However, as it is visible from the Table 10, the difference between MW and CP is almost insignificant. Therefore, it can be concluded that rank-ordering has been somehow similar.

5.4 THE EFFECT SIZE OF CULTURE AND OTHER DEMOGRAPHICAL VARIABLES

In cross-cultural surveys, the object is often not primarily to find significant differences, but to understand patterns of differences, such as which variables reveal large country difference and which point to only small difference (Van de Vijver, 2003a). One way of addressing this question is to compare effect sizes for sets of variables.

The effect size is the degree of association between an effect (e.g., culture, gender, age) and the dependent variable (usage of leadership practices). The most commonly used measure of the effect size is the *eta squared* (η^2).Eta squared represents the proportion of variance of the dependent variable that is explained by the independent variable. However, a number of criticism have been leveled at eta squared, therefore an alternative measure, *partial eta squared* is available which overcomes a number of the concerns raised (Pallant, 2001). Therefore, the partial eta squared (η_p^2) was used in this analysis.

When conducting one-way ANOVA to explore the differences in mean scores between Slovenia and Portugal, results showed (Table 11) that score means were statistically significant only for two out of five leadership practices. Namely, Modeling the Way ($F(1, 209)=7.06$, $p <0.05$) and Encouraging the Heart ($F(1, 209)=12.25$, $p <0.05$). Furthermore, there was no significant effect of gender, age, work experience and business function on the usage of the leadership practices. Building upon that, one-factor analysis of variance (ANOVA) was used to determine the effect size of culture on the two aforementioned leadership practices that showed statistically significant results. Additionally, ANOVA was used to determine the effect size of culture also for the other three practices that did not show any statistically significant difference, to verify if the previously obtained results were correct. The results verified there were no statistically significant differences in the usage of the other three leadership practices between Slovenia and Portugal.

The effect size, calculated using partial eta squared for the practice Modeling the Way, was 0.033, and for the practice Encouraging the Heart 0.055. Using the commonly used guidelines proposed by Cohen's (1988)[7], these results suggest a very small effect size of culture. Approximately 3 percent of the total variation in the employment of modeling and exemplary behaviors can be explained by the cultural background of respondents. On the other hand, 5 percent of the variation in the usage of encouraging and recognizing behavior can be ascribed to the effect of culture. Culture thus seems to have quite a different impact on different leadership practices: its influence on the EH practice is almost 2 times stronger than its

[7] To interpret the strenght of eta squared values the following guideliness can be used: .01=small effect; .06=moderate effect; .14=large effect

influence on the MV practice. While on the other hand, the culture does not even influence ISV, CP and EOA practice. However, the results suggest that the national culture does not explain much of the variation in the usage of leadership practices nor do gender, age, work experience and business function. This is understandable, because leadership is a complex and multifaceted social phenomenon that has a large number of causal antecedents. For comparison in a study by Zagoršek (2004), culture explains 5 % of total score variance in the usage of leadership practices. In his study, culture has the greatest impact on the CP practice, followed by the ISV practice, MW practice and EH practice, while the impact of culture is the smallest for EOA.

Table 11: Effect size of culture

	p-value	η^2
Modeling the Way	.008	.033
Inspiring a Shared Vision	.140	.010
Challenging the Process	.775	.000
Enabling Others to Act	.531	.002
Encouraging the Heart	.001	.055

Taking into account various types of errors and biases that can occur in cross-cultural survey research, obtaining significant effect sizes for culture is an important result.

6 DISCUSSION

In the previous chapter the comparison of the actual usage of leadership practices in Slovenia and Portugal was made. The analysis was followed by previously developed research hypotheses and revealed few interesting results. First, mean score comparison was made. Due to the fact that several cross-cultural comparisons using LPI indicated that more similarities than differences exists, the results which showed that LPI scores of respondents in Slovenia and Portugal were quite similar were expected. In both countries respondents quite frequently engaged in all five leadership practices. One of the explanations for this could be that entire LPI measures charismatic/transformational behaviors, for which it is expected that, in nations where charismatic leadership is highly valued and endorsed, respondents more frequently engage in all five transformational leadership practices. According to GLOBE CLT leadership dimensions[8], Slovenes and Portuguese, both view as one of the most contributing to outstanding leadership, Charismatic/Value-Based leadership. GLOBE research also suggest that neocharismatic/transformational leadership is universally endorsed (perceived as effective). The last argument might be that, transformational leadership emerges more easily and is more effective in collectivistic cultures, which in fact Slovenia and Portugal certainly are (Jung, Bass, & Sosik, 1995; Zagoršek, 2004) than in individualistic.

With the first hypothesis I predicted that significant differences in the usage of the five leadership practices across two countries studied will not exist. Although, the two countries are not so heterogeneous some significant differences were expected. The results of ANOVA revealed the significant differences in the usage of Modeling the Way and Encouraging the Heart practice. Therefore, the hypothesis 1 was not confirmed.

It turned out that Slovene MBA students on average Model the way less frequently than their Portuguese counterparts and that Portuguese MBA students Encourage the Heart less frequently than Slovene.

There might be several explanations why Portuguese on average Model the way more frequently than Slovenes. First, Portuguese score relatively higher on uncertainty avoidance dimensions than Slovenes. In order to avoid uncertainty and ambiguity they might spend more time and energy to make certain that people adhere to the values that have been agreed on,

[8] (CLTs) *culturally endorsed implicit leadership theories* – leader behaviors and attributes that are considered to be effective in certain culture. These global CLT leadership dimensions are labeled: Charismatic/Value-Based leadership, Team Oriented leadership, Participative leadership, Human Oriented leadership, Autonomous leadership, and Self-Protective leadership.

they more often set personal examples in order that everyone knows how things should have been done, and they more often ask for feedback on the actions that affect other's performance. Second, Portuguese are classified as a dialog-oriented culture (Lewis, 2006) for which it is known that they see events and business possibilities "in context". Therefore, they search for information through personal interaction and not merely through data gathering which is more a characteristic of Slovenes that belong to data-oriented culture. From this we might infer that it is much easier and obvious for Portuguese besides giving the instructions for work, to work side-by-side with colleagues, to tell stories that make values come alive, to ask questions to get people to focus on values and priorities, to spend more time with someone and to be visible during times of uncertainty. Slovenes in comparison to Portuguese, that are eloquent and emotional, are not particularly talkative people and prefer factual communication style. Third, Modeling the Way is a behavior that demands from leaders to stand up for their beliefs, to step more in front and to take a role similar to the one on the stage. In this way it is important for a leader to feel good being observed, being in the center of the attention and at the same time still behave as he expects from his followers to behave. If we connect this to more historical position of the two countries, we can see that Portugal, on one hand was for a long period of time a vast transcontinental empire, one of the world's major economic, political, and cultural powers. On the other hand, Slovenes in their history have been often denied the right to rule themselves which is reflected in their modesty and in avoidance of ostentation.

Encouraging the Heart behaviors such as praising people for job done well, creatively rewarding people's contributions to the success of the project, publicly recognizing people that exemplify commitment to shared values and giving members of the team lots of appreciation and support for their contributions, are highly endorsed by Slovene managers. In this practice the differences in the mean scores were the highest. The reason for this might be found in the youthfulness and its consequences of the country. From as early as the A.D. 800s, Slovenia has fallen under foreign control, gaining its independence only in 1991. With its location bordering Austria and Italy, Slovenia has long been open to influences from the more developed countries of Western Europe. Therefore, fresh start offered people a possibility to reform and build up a new state that could be shifted from a socialist to a market economy. The tendency towards success and efficiency gives people a lot of opportunities to prove themselves and an impetus to be better and better. Thus, the encouraging behaviors might be highly endorsed in Slovenia, since they motivate people to perform better. On the other hand, Portugal as an old country, once one of the most powerful economies in the world, later 50 years under dictatorship,

somehow like to indulge in a little *saudade*[9], a nostalgic, often deeply melancholic longing for better times. The slow pace of life and lack of tendency for management effectiveness and productivity might explain a part of lower endorsement in encouraging behaviors. From this melancholic perspective we can also infer that encouraging behaviors do not have such a great impact on performance of Portuguese as is in the case of Slovenes. Thus, the difference in the usage of encouraging behaviors among Portuguese and Slovene leaders exists.

Hypothesis 2 predicted that EOA would be the most frequently used practice, while ISV would be the least frequently used practice across the two countries studied. This hypothesis was based on rank ordering of leadership practices found by Kouzes & Posner as well as on the results of several other studies. The hypothesis 2 was confirmed, as EOA was indeed the most frequently used practice and ISV the least frequently used practice. However, the rank ordering for other practices was a bit different than the one found by Kouzes & Posner. In the case of Slovenia and Portugal, Encouraging the Heart ranked second whereas by Kouzes & Posner ranking, the second most frequently used practice is Modeling the Way. For CP we could say that rank position is somewhat similar to Kouzes & Posner one, since the differences in mean scores and consequently in rank ordering between the two countries studied are insignificant.

For the practice Inspiring a Shared Vision, Challenging the Process and, Enabling Others to Act, score means did not significantly differ from country to country. Therefore, there was no significant effect of culture on the usage of aforementioned leadership practices.

Hypothesis 3 that predicted CP would be more frequently used practice in Slovenia than in Portugal was not confirmed. The hypothesis was based on Koopman et al. (1999) assertion that High Uncertainty Avoidance cultures, with their resulting emphasis on rules and procedures, may place other demands on leaders than do low Uncertainty Avoidance cultures, with a resulting attitude of tolerance of ambiguity and innovative behavior. The explanation for the results obtained can be found in the fact that although Portugal scores a bit higher on Uncertainty Avoidance than Slovenia, they can be both still considered as moderately low Uncertainty Avoidance cultures. Challenging the Process was also the practices where the differences between means were the lowest. Another explanation for similar results might be found in the political regimes in both countries in the near past. Portugal was for 50 years under dictatorship whereas, Slovenia was facing communism. In both regimes business and personal freedom was quite limited. People had to do what they were told to do. Innovativeness was not awarded, so to take risk and experiment was not something very common. After the change of the regimes, both countries have been sprinting to catch up with

[9] Saudade – nostalgia for a glorious past, a fathomless yearning and longing for home

the rest of Western Europe. The economy directed towards market oriented, where taking risk and learning from mistakes is an everyday process. In both countries entrepreneurship started to develop and by creation of European Union even more business opportunities are offered. Nowadays innovativeness and risk-taking is the only way to keep pace with the rest of the world economies.

Hypothesis 4 predicted that EOA would be more frequently used practice in Portugal than in Slovenia which was based on the fact that Portugal scores much lower on Assertiveness. Hypothesis 4 was not confirmed since score means of the two countries did not significantly differ. One of cross cultural comparisons using LPI showed that Enabling others to Act is the most universal practice, in the sense that it exhibits little variation across countries. In both countries respondents engaged in EOA the most frequently. This finding is in contrast to observation made by Tixier (1994) that Portuguese managers are relatively little inclined to teamwork: their culture inclines them to both keep information, secrets and power tightly controlled and also to respect distance and hierarchy. On the other hand, findings from GLOBE research showed that Slovenes and Portuguese view as the most contributing to outstanding leadership Team Oriented leadership which emphasizes effective team building and implementation of a common purpose or goal among team members.

Inspiring a Shared Vision was at least frequently used practice in both countries. This might be because it is probably the most difficult practice to master. Another explanation might be that the respondents belonged mainly to the lower levels of management or did not belong to any management level. Visionary leadership becomes increasingly important only at the higher levels of the management hierarchy. Both countries are also not very well known by visionary behaviors. Slovene characteristics are factuality, rationality, structure, procedures and persistence. On the other hand as it was already mentioned Portuguese are more melancholic and also quite realistic.

The Portuguese respondents were on average a bit older and especially more experienced, therefore some differences in the engagement in the leadership practices were expected. However, the results from this study suggest there were no differences in the usage of the five leadership practices between males and females, young and old respondents, less experienced and more experienced and regarding to business function. It seems that the differences in age and especially in work experiences were not so big that would influence the overall results. Kouzes & Posner (2002) also assert that LPI scores in general have been found, to be unrelated with various demographic characteristics (e.g., age, years of experience, educational level) or organizational features (e.g., size, functional area). This finding extends across a wide variety of

non-business settings as well, as suggested by research with school superintendents, principals and administrators, health care administrators, law enforcement officers, hotel managers, etc.

The second section of the previous chapter focused on the size and strength of cultural variation in the leadership practices. Results suggest that the differences in means scores between Slovenia and Portugal were statistically significant only for two out of five leadership practices. Furthermore, there was no significant effect of gender, age work experience and business function on the usage of leadership practices. However, the strength of the influence of culture on leadership practices is very small. Culture explains slightly more than 3% percent of the total score variance in the usage of Modeling the Way practice and more than 5% percent in the usage of Encouraging the Heart. For comparison, in a study by Zagoršek (2004) where he examined the effect size of culture on leadership practices in six countries, culture in explained around 5% of the variance. It is important to mention that in this research actual behaviors were measured and not attitudes and values for which usually cultural variation is bigger.

The results suggest that the national culture does not explain much of the variation in the usage of leadership practices nor do gender, age, work experience and business function. This is understandable, because leadership is a complex and multifaceted social phenomenon that has a large number of causal antecedents. There exist many important variables that were not included in this study that determine the usage of leadership practices such us personality, capabilities, values, beliefs of leaders, type of organization, organizational culture, structure and type of work unit, followers personalities and expectations about the leader, etc. Culture is just one of many variables that affect contribute to variability of personal responses.

One of the explanations for similarity of answers is the characteristics of the sample. MBA students or their equivalents are usually more educated and younger than average middle managers. They are more exposed to global influences and usually study from the same American textbooks which might influence their behavior and thinking than it would be in the case if broader sample of manager from different companies would be used. The aim of MBA courses is also to develop global leaders. Furthermore, in general MBA students are also more motivated and have a great desire to for leading positions compared to non-MBA entry-level managers or business experts.

Second explanation can be found in the country context. In spite of large geographic distance and different historical influences, both countries still belong to Europe, a geographical region with diverse national cultures and increasingly conjoint political and economic characteristics. Even though, societal cultural diversity in Europe is perceived to be preserved as much as

possible, by European Union formation some common European norms and values tried to be established. In the last decade there has been a great focus on student mobility and on learning about different cultures which definitely influence people's attitudes and behaviors. EU tends to make uniform educational system, legislation, higher and easier labor mobility, etc. Today 27 countries in Europe belong to a common, newly established "country" and with time the differences in our values and behaviors for sure will become even smaller.

The major reason for similarity of responses across two countries studied may be in the level of specificity of the LPI items. The LPI was constructed with the aim of being applicable to as wide a range of settings as possible in order to enhance external validity. Consequently, most of LPI items are open to different interpretations. Same behaviors may be performed in different ways by different leaders. For example, one of the LPI items that measure EH practice is: "I praise people for a job well done". There exist many different ways how manager may praise people for a job well done. Portuguese managers probably praise people in a different way than Slovene managers, but the important point is that all praise people equally frequently. However, considerable similarity in the usage of the five leadership practices from Slovenia and Portugal does not mean that these practices are manifested in the exactly the same way. Cross-cultural variations may exist in this respect.

7 CONCLUSION

The rapid development of the European Community and the economic integration of the member states produces a strong need for managers who can understand and adapt to cultural differences in work-related values and leadership (Brodbeck et al., 2000). In spite of the importance of achieving better understanding of how culture influences leadership effectiveness, cross-cultural leadership research is still sparse. Moreover, usually comparisons are made between US, Western European nations, Latin American nations, and Asian nations. Few or actually none cross-cultural leadership research have been made to compare smaller European countries, especially Slovenia and Portugal. This study is the first cross-cultural leadership research that compares previously mentioned countries. Therefore, the main research question that guided this study was if there exist any differences in the actual usage of leadership practices in Slovenia and Portugal.

The purpose of the study was to clarify how important role culture has on leadership behaviors, by first developing the theoretical framework and then empirically investigate the differences and similarities in the usage of leadership practices of MBA students in the two countries mentioned.

Through the theoretical part the foundation of the thesis was developed. Previous to empirical research three important theoretical topics were needed to be discussed which served furthermore as pillars of the thesis. First, **leadership** concept and its theories provided us with an understanding what leadership means and what kind of behaviors it includes. This study focused only on organizational leadership that occurs in formal organizations and is usually executed by managers. The theoretical foundation for the empirical part were neocharismatic/transformational leadership theories that provide an explanation for the exceptional influence some leaders have on subordinates and acknowledge the importance of symbolic behavior and the role of the leader in making events meaningful to followers. The model in the neocharismatic approach that was used was Kouzes and Posner's The Five Practice Model which outcomes are increased follower satisfaction and commitment, an increase in their self-esteem, motive arousal and identification with the leader's vision and values, which all result in followers' extra effort and increased performance of organization. The second erected pillar was **culture**, the collective programming of the mind which distinguishes the members of one group of people from another. Culture is an essential part of cross-cultural leadership and do not influence only the kind of leadership will be attempted, but also influence the effectiveness of specific leadership actions, behaviors and styles. To

operationalize the culture, nations or countries were used in this study. For comparison of the two cultures, GLOBE culture dimension served as a basis. The third pillar that connects the first and the second is **cultural influence on leadership**. There are some classes of leader behaviors that are significantly influenced by cultural forces and some that are rather universal with respect to the frequency of their enactment, their meaning, acceptance and effectiveness. What works in one culture may not necessarily work in another. Leadership is embedded in social and cultural beliefs and values, and cannot be fully understood apart from the context in which it exists. Thus, cross-cultural leadership research has been very important, especially from practitioner's perspective since the literature provides little in the way of guidance for leaders facing cross-cultural challenges.

The empirical part focused on the main research questions, whether the differences in the actual usage of leadership practices in Slovenia and Portugal exist. The sample consisted of 211 MBA students or their equivalents from both countries. The results showed that there are more similarities than differences in the actual usage of the five leadership practices. There were significant differences between countries in the usage of Modeling the Way and Encouraging the Heart practices. The most frequently used leadership practice was Enabling Others to Act while, the least frequently used leadership practice was Inspiring the Shared Vision. Overall, cultural background had a little effect on leadership behaviors in both countries. The culture played a small role only in the employment of modeling and encouraging behaviors. This is understandable, because leadership is a complex and multifaceted social phenomenon that has a large number of causal antecedents. The study also revealed that there was no impact of gender, age, work experience and the business function on the usage of the five leadership practices. It is important to note, that there exist many important variables that were not included in this study that determine the usage of leadership practices. The study confirmed the first two hypotheses, that there would exist significant differences in the usage of leadership practices at least in one practice and that the most frequently used practice would be Enabling Others to Act whereas, at least frequently used practice would be Inspiring the Shared Vision. Other hypotheses were not confirmed. Reasons for the similarity of the answers could be found in the countries context, the characteristics of the sample, and in the level of specificity of the LPI items.

Culture is just one of many variables that determine the usage of leadership practices. However, it is important to know as much as possible about the leadership/culture impact point to make management in cross-cultural environment more effective by predicting more accurately potential problems within cross-cultural interactions at work. Although the cultural differences are small, they are still large enough to be an important factor in the success or

failure of particular cross-cultural leadership attempts. In conclusion, managers who want to be able to bridge cultural gaps must consider the full range of cultural variability within the target country. The amount of prior training, coaching and actual experience in the host country necessary to ensure effective cross-cultural leadership will obviously depend on the magnitude of differences between the cultures. In the case of Slovenia and Portugal where the results showed that there are more similarities than differences, this kind of activities would be less in amount.

7.1 LIMITATIONS AND FURTHER RESEARCH

This research is limited in several ways. The assessment of leadership practices was limited only to the five leadership behaviors measured by the LPI. With the assessment of others leadership behaviors it might occur that more significant cross-country differences would exist. This research was focused on MBA students or their equivalents that are far from being representative of a particular nation. Therefore, the findings may only be generalized with limitations. The research also did not focused on other aspects of leadership but, only on organizational leadership. Another limitation results from cross-cultural research itself. The original questionnaire was translated from English to Portuguese and Slovene. It might occur that some meanings of statements in LPI were lost in translation. Further, the limitation of time and space for this master thesis also represented a kind of a constraint. Finally, actual cultural differences between Slovene and Portuguese represented many problems to obtain sufficiently large sample to conduct the research.

The study could be expanded to include other countries and expanding the size of the sample. The sample from two countries may not be strictly comparable, but that is true of many cross-country studies. Therefore, the future research might also be conducted to explore if the differences occurred are related to cultural differences between Slovenia and Portugal exclusively or if the differences exhibited persists when other cultures are compared. Further research can be carried out by using different sample for example middle managers in different industries which would definitely revealed a bit different results.

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APPENDICES

APPENDIX A: QUESTIONNAIRE

Leadership Practices Inventory (LPI)

by JAMES M. KOUZES & BARRY Z. POSNER

A) **Leadership practices**

Please read each statement carefully, and using the RATING SCALE bellow, ask yourself: **"How frequently do I engage in the behavior described?"**

In selecting the answer, be realistic about the extent to which you actually engage in each behavior. Do not answer in terms of how you like to see yourself or in terms of what you *should* be doing. Answer in terms of how you *typically behave.*

The RATING SCALE runs from 1 to 10. Choose the number that best applies to each statement.

1 = Almost Never 2 = Rarely 3 = Seldom 4 = Once in a While

5 = Occasionally 6 = Sometimes 7 = Fairly Often 8 = Usually

9 = Very Frequently 10 = Almost Always

1	I set a personal example of what I expect of others.	
2	I talk about future trends that will influence how our work gets done.	
3	I seek out challenging opportunities that test my own skills and abilities.	
4	I develop cooperative relationships among the people I work with.	
5	I praise people for a job weil done.	
6	I spend time and energy making certain that the people I work with adhere to the principles and standards we have agreed on.	
7	I describe a compellìng image of what our future could be like.	
8	I challenge people to try out new and innovative ways to do their work.	
9	I actively listen to diverse points of view.	
10	I make it a point to let people know about my confidence in their abilities.	
11	I follow through on the promises and commitments that I make.	
12	I appeal to others to share an exciting dream of the future.	
13	I search outside the formal boundaries of my organization for innovative ways to improve what we do.	

14	I treat others with dignity and respect.	
15	I make sure that people are creatively rewarded for their contributions to the success of our projects.	
16	I ask for feedback on how my actions affect other people's performance.	
17	I show others how their long-term interests can be realized by enlisting in a common vision.	
18	I ask "What can we learn?" when things don't go as expected	
19	I support the decisions that people make on their own.	
20	I publicly recognize people who exemplify commitment to shared values.	
21	I build consensus around a common set of values for running our organization.	
22	I paint the "big picture" of what we aspire to accomplish.	
23	I make certain that we set achievable goals, make concrete plans, and establish measurabie milestones for the projects and programs that we work on.	
24	I give people a great deal of freedom and choice in deciding how to do their work.	
25	I find ways to celebrate accomplishments.	
26	I am clear about my philosophy of leadership.	
27	I speak with genuine conviction about the higher meaning and purpose of our work.	
28	I experiment and take risks, even when there is a chance of failure.	
29	I ensure that people grow in their jobs by learning new skills and developing themselves.	
30	I give the members of the team lots of appreciation and support for their contributions.	

B) **Background Information**

1. Gender □male □female

2. Age _____

3. **University Graduation Area**

□ Management and Economy

□ Social Sciences (Sociology, Psichology…)
□ Natural Sciences (Biology, Chemistry, Physics…)
□ Humanities (Law, Languages…)
□ Engineering
□ Arts
□ Other _____

4. Years of Work Experience _____

5. Business function in which you have the most experience (in which you work or have worked for the longest time):

□ Accounting and Finance
□ Human resource management
□ Informatics
□ Logistics
□ Production
□ Marketing and Sales
□ Research and Development
□ Other _____

C) Information about the organization that you currently work for

If you do not work for any organization at the moment fill in the data for the last organization you have worked for or leave this section blank.

1. My organization is:

□ privately owned □ publivly owned (stock comapany) □ government

2. My organization:

□ operates only in this country
□ exports to some foreign countries
□ has few subsidiaries in some foreign countries
□ operates in many countries (multinational)

3. My organization has

□ less than 10 employees
□ between 10 and 49 emlpoyees
□ between 50 and 249 emlpoyees
□ More than 250 emlpoyees

4. If CEO represents the first level of management, and line supervisors represent the last, how many levels of management exist in your company: _____

5. To what level of management (from the previous question) do you belong (cross none if you are not a manager): _____; ☐ none

6. Number of people who **report directly** to you (write 0 if none): _____

D) Work related questions

1. On a scale from *1 to 7* indicate how important the work and working is for you (*1: not important at all, 3: moderately important, 7: highly important*): _____ (write the appropriate number from 1 to 7)!

2. On a scale from *1 to 7* indicate how satisfied are you with your job overall (not satisfied at all; 3: moderately satisfied, 7: highly satisfied): _____

APPENDIX B: DEMOGRAPHIC DATA OF THE SAMPLE

Gender

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Slovenia or Portugal * Gender	211	100,0%	0	,0%	211	100,0%

Slovenia or Portugal * Gender Crosstabulation

			Gender		
			male	female	Total
Slovenia or Portugal	Slovenia	Count	57	58	115
		% within Slovenia or Portugal	49,6%	50,4%	100,0%
		% within Gender	53,8%	55,2%	54,5%
		% of Total	27,0%	27,5%	54,5%
	Portugal	Count	49	47	96
		% within Slovenia or Portugal	51,0%	49,0%	100,0%
		% within Gender	46,2%	44,8%	45,5%
		% of Total	23,2%	22,3%	45,5%
Total		Count	106	105	211
		% within Slovenia or Portugal	50,2%	49,8%	100,0%
		% within Gender	100,0%	100,0%	100,0%
		% of Total	50,2%	49,8%	100,0%

Work experiance

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
work experiance (years)	88	1	35	10,03	6,724
Valid N (listwise)	88				

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Slovenia or Portugal * work experience interval	198	93,8%	13	6,2%	211	100,0%

Slovenia or Portugal * work experience interval Crosstabulation

			work experience interval						Total
			1,00	2,00	3,00	4,00	5,00	6,00	
Slovenia or Portugal	Slovenia	Count	72	15	5	8	5	5	110
		% within Slovenia or Portugal	65,5%	13,6%	4,5%	7,3%	4,5%	4,5%	100,0%
		% within work experience interval	82,8%	46,9%	13,9%	40,0%	50,0%	38,5%	55,6%
		% of Total	36,4%	7,6%	2,5%	4,0%	2,5%	2,5%	55,6%
	Portugal	Count	15	17	31	12	5	8	88
		% within Slovenia or Portugal	17,0%	19,3%	35,2%	13,6%	5,7%	9,1%	100,0%
		% within work experience interval	17,2%	53,1%	86,1%	60,0%	50,0%	61,5%	44,4%
		% of Total	7,6%	8,6%	15,7%	6,1%	2,5%	4,0%	44,4%
Total		Count	87	32	36	20	10	13	198
		% within Slovenia or Portugal	43,9%	16,2%	18,2%	10,1%	5,1%	6,6%	100,0%
		% within work experience interval	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	43,9%	16,2%	18,2%	10,1%	5,1%	6,6%	100,0%

Age

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Slovenia or Portugal * age interval	209	99,1%	2	,9%	211	100,0%

Slovenia or Portugal * age interval Crosstabulation

			age interval						Total
			1,00	2,00	3,00	4,00	5,00	6,00	
Slovenia or Portugal	Slovenia	Count	26	59	17	7	6		115
		% within Slovenia or Portugal	22,6%	51,3%	14,8%	6,1%	5,2%		100,0%
		% within age interva	66,7%	64,1%	37,8%	43,8%	46,2%		55,0%
		% of Total	12,4%	28,2%	8,1%	3,3%	2,9%		55,0%
	Portugal	Count	13	33	28	9	7	4	94
		% within Slovenia or Portugal	13,8%	35,1%	29,8%	9,6%	7,4%	4,3%	100,0%
		% within age interva	33,3%	35,9%	62,2%	56,3%	53,8%	100,0%	45,0%
		% of Total	6,2%	15,8%	13,4%	4,3%	3,3%	1,9%	45,0%
Total		Count	39	92	45	16	13	4	209
		% within Slovenia or Portugal	18,7%	44,0%	21,5%	7,7%	6,2%	1,9%	100,0%
		% within age interva	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	18,7%	44,0%	21,5%	7,7%	6,2%	1,9%	100,0%

Portugal (

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Age	94	23	57	31,90	6,539
Valid N (listwise)	94				

Slovenia

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Age	115	23	44	28,87	5,046
Valid N (listwise)	115				

Management level

Slovenia or Portugal * management level belongness Crosstabulation

			management level belongness							
			0	1	2	3	4	5	6	Total
Slovenia or Portugal	Slovenia	Count	56	4	12	13	2	2	1	90
		% within Slovenia or Portugal	62,2%	4,4%	13,3%	14,4%	2,2%	2,2%	1,1%	100,0%
		% within management level belongness	64,4%	40,0%	52,2%	44,8%	28,6%	40,0%	50,0%	55,2%
		% of Total	34,4%	2,5%	7,4%	8,0%	1,2%	1,2%	,6%	55,2%
	Portugal	Count	31	6	11	16	5	3	1	73
		% within Slovenia or Portugal	42,5%	8,2%	15,1%	21,9%	6,8%	4,1%	1,4%	100,0%
		% within management level belongness	35,6%	60,0%	47,8%	55,2%	71,4%	60,0%	50,0%	44,8%
		% of Total	19,0%	3,7%	6,7%	9,8%	3,1%	1,8%	,6%	44,8%
Total		Count	87	10	23	29	7	5	2	163
		% within Slovenia or Portugal	53,4%	6,1%	14,1%	17,8%	4,3%	3,1%	1,2%	100,0%
		% within management level belongness	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	53,4%	6,1%	14,1%	17,8%	4,3%	3,1%	1,2%	100,0%

Business function

Slovenia or Portugal * business function Crosstabulation

			business function									
			,00	accounting and finance	HRM	Informatics	logistics	production	marketing and sales	R&D	other	Total
Slovenia o Portugal	Slovenia	Count	1	49	2	14	2	3	28	1	7	107
		% within Slovenia or Portugal	,9%	45,8%	1,9%	13,1%	1,9%	2,8%	26,2%	,9%	6,5%	100,0%
		% within business function	100,0%	66,2%	12,5%	51,9%	50,0%	60,0%	57,1%	33,3%	35,0%	53,8%
		% of Total	,5%	24,6%	1,0%	7,0%	1,0%	1,5%	14,1%	,5%	3,5%	53,8%
	Portugal	Count		25	14	13	2	2	21	2	13	92
		% within Slovenia or Portugal		27,2%	15,2%	14,1%	2,2%	2,2%	22,8%	2,2%	14,1%	100,0%
		% within business function		33,8%	87,5%	48,1%	50,0%	40,0%	42,9%	66,7%	65,0%	46,2%
		% of Total		12,6%	7,0%	6,5%	1,0%	1,0%	10,6%	1,0%	6,5%	46,2%
Total		Count	1	74	16	27	4	5	49	3	20	199
		% within Slovenia or Portugal	,5%	37,2%	8,0%	13,6%	2,0%	2,5%	24,6%	1,5%	10,1%	100,0%
		% within business function	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
		% of Total	,5%	37,2%	8,0%	13,6%	2,0%	2,5%	24,6%	1,5%	10,1%	100,0%

APPENDIX C: MEAN SCORES FOR LEADERSHIP PRACTICES

Descriptives

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
MV	Slovenia	115	42,3739	6,58742	,61428	41,1570	43,5908	20,00	57,00
	Portugal	96	44,8125	6,69692	,68350	43,4556	46,1694	24,00	58,00
	Total	211	43,4834	6,73254	,46349	42,5697	44,3971	20,00	58,00
ISV	Slovenia	115	39,0957	7,30534	,68123	37,7461	40,4452	15,00	56,00
	Portugal	96	40,7917	9,33123	,95237	38,9010	42,6824	14,00	60,00
	Total	211	39,8673	8,31129	,57217	38,7394	40,9952	14,00	60,00
CP	Slovenia	115	44,3652	6,52166	,60815	43,1605	45,5700	24,00	59,00
	Portugal	96	44,0938	7,22434	,73733	42,6300	45,5575	20,00	56,00
	Total	211	44,2417	6,83502	,47054	43,3141	45,1693	20,00	59,00
EOA	Slovenia	115	48,0609	5,18481	,48349	47,1031	49,0187	33,00	59,00
	Portugal	96	47,5833	5,85737	,59782	46,3965	48,7701	31,00	59,00
	Total	211	47,8436	5,49278	,37814	47,0982	48,5890	31,00	59,00
EH	Slovenia	115	47,8783	6,19868	,57803	46,7332	49,0233	29,00	59,00
	Portugal	96	44,8542	6,31119	,64413	43,5754	46,1329	30,00	58,00
	Total	211	46,5024	6,41529	,44165	45,6317	47,3730	29,00	59,00

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
MV	,002	1	209	,961
ISV	7,763	1	209	,006
CP	1,332	1	209	,250
EOA	,665	1	209	,416
EH	,775	1	209	,380

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
MV	Between Groups	311,145	1	311,145	7,063	,008
	Within Groups	9207,547	209	44,055		
	Total	9518,692	210			
ISV	Between Groups	150,503	1	150,503	2,191	,140
	Within Groups	14355,781	209	68,688		
	Total	14506,284	210			
CP	Between Groups	3,856	1	3,856	,082	,775
	Within Groups	9806,817	209	46,923		
	Total	9810,673	210			
EOA	Between Groups	11,932	1	11,932	,394	,531
	Within Groups	6323,907	209	30,258		
	Total	6335,839	210			
EH	Between Groups	478,495	1	478,495	12,249	,001
	Within Groups	8164,254	209	39,063		
	Total	8642,749	210			

Descriptives

ISV

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Slovenia	115	39,0957	7,30534	,68123	37,7461	40,4452	15,00	56,00
Portugal	96	40,7917	9,33123	,95237	38,9010	42,6824	14,00	60,00
Total	211	39,8673	8,31129	,57217	38,7394	40,9952	14,00	60,00

Test of Homogeneity of Variances

ISV

Levene Statistic	df1	df2	Sig.
7,763	1	209	,006

ANOVA

ISV

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	150,503	1	150,503	2,191	,140
Within Groups	14355,781	209	68,688		
Total	14506,284	210			

Robust Tests of Equality of Means

ISV

	Statistic[a]	df1	df2	Sig.
Welch	2,098	1	178,207	,149
Brown-Forsythe	2,098	1	178,207	,149

a. Asymptotically F distributed.

APPENDIX D: MEAN SCORES FOR OTHER GROUPS OF VARIABLES

Gender

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
MV	,019	1	209	,890
ISV	,148	1	209	,700
CP	2,003	1	209	,158
EOA	,007	1	209	,935
EH	,058	1	209	,809

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
MV	Between Groups	71,102	1	71,102	1,573	,211
	Within Groups	9447,590	209	45,204		
	Total	9518,692	210			
ISV	Between Groups	3,171	1	3,171	,046	,831
	Within Groups	14503,113	209	69,393		
	Total	14506,284	210			
CP	Between Groups	18,667	1	18,667	,398	,529
	Within Groups	9792,006	209	46,852		
	Total	9810,673	210			
EOA	Between Groups	9,531	1	9,531	,315	,575
	Within Groups	6326,308	209	30,269		
	Total	6335,839	210			
EH	Between Groups	8,562	1	8,562	,207	,649
	Within Groups	8634,187	209	41,312		
	Total	8642,749	210			

Age

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
MV	,733	5	203	,599
ISV	1,170	5	203	,325
CP	,942	5	203	,455
EOA	,282	5	203	,923
EH	,708	5	203	,618

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
MV	Between Groups	333,399	5	66,680	1,489	,195
	Within Groups	9092,218	203	44,789		
	Total	9425,617	208			
ISV	Between Groups	530,456	5	106,091	1,569	,170
	Within Groups	13722,635	203	67,599		
	Total	14253,091	208			
CP	Between Groups	61,905	5	12,381	,260	,934
	Within Groups	9648,248	203	47,528		
	Total	9710,153	208			
EOA	Between Groups	102,146	5	20,429	,670	,647
	Within Groups	6192,304	203	30,504		
	Total	6294,450	208			
EH	Between Groups	87,810	5	17,562	,420	,834
	Within Groups	8478,410	203	41,766		
	Total	8566,220	208			

Working experiance

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
MV	,629	5	192	,678
ISV	1,544	5	192	,178
CP	,622	5	192	,684
EOA	,495	5	192	,780
EH	,722	5	192	,608

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
MV	Between Groups	333,235	5	66,647	1,476	,199
	Within Groups	8670,017	192	45,156		
	Total	9003,253	197			
ISV	Between Groups	594,586	5	118,917	1,754	,124
	Within Groups	13019,394	192	67,809		
	Total	13613,980	197			
CP	Between Groups	79,705	5	15,941	,346	,884
	Within Groups	8835,956	192	46,021		
	Total	8915,662	197			
EOA	Between Groups	59,051	5	11,810	,389	,856
	Within Groups	5824,793	192	30,337		
	Total	5883,843	197			
EH	Between Groups	319,341	5	63,868	1,640	,151
	Within Groups	7476,477	192	38,940		
	Total	7795,818	197			

Business function

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
mv	,644[a]	7	190	,719
isv	,899[b]	7	190	,508
cp	,239[c]	7	190	,975
eoa	,645[d]	7	190	,718
eh	1,110[e]	7	190	,358

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
mv	Between Groups	482,159	8	60,270	1,350	,221
	Within Groups	8480,806	190	44,636		
	Total	8962,965	198			
isv	Between Groups	425,901	8	53,238	,761	,638
	Within Groups	13296,159	190	69,980		
	Total	13722,060	198			
cp	Between Groups	570,343	8	71,293	1,558	,140
	Within Groups	8693,456	190	45,755		
	Total	9263,799	198			
eoa	Between Groups	202,829	8	25,354	,817	,588
	Within Groups	5896,658	190	31,035		
	Total	6099,487	198			
eh	Between Groups	219,538	8	27,442	,652	,733
	Within Groups	7998,673	190	42,098		
	Total	8218,211	198			

APPENDIX E: EFFECT SIZE

Modeling the Way

Between-Subjects Factors

		Value Label	N
Slovenia or Portugal	1,00	Slovenia	115
	2,00	Portugal	96

Descriptive Statistics

Dependent Variable: MV

Slovenia or Portugal	Mean	Std. Deviation	N
Slovenia	42,3739	6,58742	115
Portugal	44,8125	6,69692	96
Total	43,4834	6,73254	211

Levene's Test of Equality of Error Variances[a]

Dependent Variable: MV

F	df1	df2	Sig.
,002	1	209	,961

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept+SLO_PT

Tests of Between-Subjects Effects

Dependent Variable: MV

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	311,145[a]	1	311,145	7,063	,008	,033
Intercept	397726,235	1	397726,235	9027,897	,000	,977
SLO_PT	311,145	1	311,145	7,063	,008	,033
Error	9207,547	209	44,055			
Total	408479,000	211				
Corrected Total	9518,692	210				

a. R Squared = ,033 (Adjusted R Squared = ,028)

Inspiring a Shared Vision

Between-Subjects Factors

		Value Label	N
Slovenia or Portugal	1,00	Slovenia	115
	2,00	Portugal	96

Descriptive Statistics

Dependent Variable: ISV

Slovenia or Portugal	Mean	Std. Deviation	N
Slovenia	39,0957	7,30534	115
Portugal	40,7917	9,33123	96
Total	39,8673	8,31129	211

Levene's Test of Equality of Error Variances[a]

Dependent Variable: ISV

F	df1	df2	Sig.
7,763	1	209	,006

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept+SLO_PT

Tests of Between-Subjects Effects

Dependent Variable: ISV

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	150,503[a]	1	150,503	2,191	,140	,010
Intercept	333919,906	1	333919,906	4861,405	,000	,959
SLO_PT	150,503	1	150,503	2,191	,140	,010
Error	14355,781	209	68,688			
Total	349870,000	211				
Corrected Total	14506,284	210				

a. R Squared = ,010 (Adjusted R Squared = ,006)

Challenging the Process

Between-Subjects Factors

		Value Label	N
Slovenia or Portugal	1,00	Slovenia	115
	2,00	Portugal	96

Descriptive Statistics

Dependent Variable: CP

Slovenia or Portugal	Mean	Std. Deviation	N
Slovenia	44,3652	6,52166	115
Portugal	44,0937	7,22434	96
Total	44,2417	6,83502	211

Levene's Test of Equality of Error Variances[a]

Dependent Variable: CP

F	df1	df2	Sig.
1,332	1	209	,250

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept+SLO_PT

Tests of Between-Subjects Effects

Dependent Variable: CP

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	3,856[a]	1	3,856	,082	,775	,000
Intercept	409421,221	1	409421,221	8725,465	,000	,977
SLO_PT	3,856	1	3,856	,082	,775	,000
Error	9806,817	209	46,923			
Total	422807,000	211				
Corrected Total	9810,673	210				

a. R Squared = ,000 (Adjusted R Squared = -,004)

Enabling Others to Act

Between-Subjects Factors

		Value Label	N
Slovenia or Portugal	1,00	Slovenia	115
	2,00	Portugal	96

Descriptive Statistics

Dependent Variable: EOA

Slovenia or Portugal	Mean	Std. Deviation	N
Slovenia	48,0609	5,18481	115
Portugal	47,5833	5,85737	96
Total	47,8436	5,49278	211

Levene's Test of Equality of Error Variances[a]

Dependent Variable: EOA

F	df1	df2	Sig.
,665	1	209	,416

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept+SLO_PT

Tests of Between-Subjects Effects

Dependent Variable: EOA

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	11,932[a]	1	11,932	,394	,531	,002
Intercept	478634,415	1	478634,415	15818,479	,000	,987
SLO_PT	11,932	1	11,932	,394	,531	,002
Error	6323,907	209	30,258			
Total	489317,000	211				
Corrected Total	6335,839	210				

a. R Squared = ,002 (Adjusted R Squared = -,003)

Encouraging the Heart

Between-Subjects Factors

		Value Label	N
Slovenia or Portugal	1,00	Slovenia	115
	2,00	Portugal	96

Descriptive Statistics

Dependent Variable: EH

Slovenia or Portugal	Mean	Std. Deviation	N
Slovenia	47,8783	6,19868	115
Portugal	44,8542	6,31119	96
Total	46,5024	6,41529	211

Levene's Test of Equality of Error Variances[a]

Dependent Variable: EH

F	df1	df2	Sig.
,775	1	209	,380

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept+SLO_PT

Tests of Between-Subjects Effects

Dependent Variable: EH

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	478,495[a]	1	478,495	12,249	,001	,055
Intercept	449935,101	1	449935,101	11518,068	,000	,982
SLO_PT	478,495	1	478,495	12,249	,001	,055
Error	8164,254	209	39,063			
Total	464924,000	211				
Corrected Total	8642,749	210				

a. R Squared = ,055 (Adjusted R Squared = ,051)

APPENDIX F: RELIABILITY TEST

Reliability Statistics

Cronbach's Alpha	N of Items
,861	5

Item Statistics

	Mean	Std. Deviation	N
mv	43,4834	6,73254	211
isv	39,8673	8,31129	211
cp	44,2417	6,83502	211
eoa	47,8436	5,49278	211
eh	46,5024	6,41529	211

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
mv	178,4550	480,706	,746	,814
isv	182,0711	434,133	,702	,832
cp	177,6967	486,136	,708	,824
eoa	174,0948	561,905	,592	,853
eh	175,4360	508,599	,679	,832

Scale Statistics

Mean	Variance	Std. Deviation	N of Items
2,2194E2	746,344	27,31929	5