Effective Leadership:
A Cross Cultural Study of Leadership Behaviour

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Abstract

The Multifactor Leadership Questionnaire Form 5X (MLQ5X) is used to study leadership across two large sample groups from the Peoples’ Republic of China and Australia. Both transformational and transactional attributes feature as influencing factors in extra effort, effectiveness and satisfaction across both cultural sample groups. While the transactional feature of contingent reward does feature as significant, it is not as significant as transformational attributes aligned with critical thinking, empowerment, challenging workplaces in ameliorating positive outcomes associated with effective leadership behavior.

Keywords: leadership effectiveness, China, Australia, Multifactor Leadership Questionnaire
Effective Leadership: A Cross Cultural Study of Leadership Behaviour

INTRODUCTION

Leadership can exist in different forms in organisations. For Bass and Avolio (1994, 1997), transactional leadership emphasises an exchange between leaders and associates or followers in order to maximise an agreed or identified outcome. In contrast, transformational leadership broadens this exchange to include dimensions of a higher order of performance to the extent that associates perform beyond standard expectations.

In contrast to transactional leadership, the dimensions of transformational leadership provide a pro-active tone in the qualities of leadership of breaking away from traditional thinking in an effort to transcend the more transactional management behavior (Tracey and Hinkin 1998). Research of Bass and Avolio suggests that transformational leadership produces higher levels of extra effort, effectiveness and satisfaction in organisations (Bass 1985; Bass and Avolio (1997:39):

- Extra effort [EE] includes the effect leadership has in motivating associates to initiate some effort above and beyond the ordinary.
- Effectiveness [EFF] reflects the leaders effectiveness as perceived by themselves and others in the needs of followers, representing these needs to higher-level managers, the overall organisational effectiveness, and performance.
- Satisfaction [Sat] refers to satisfaction of the leader with their own performance and satisfaction of associates with the style of the leader.

This study aims to contribute to this research with a cross-cultural sample involving executives from the PRC and Australia. Dimensions of leadership are measured, using the Multifactor Leadership Questionnaire Form 5X (MLQ5X) devised by Bass and Avolio (1993, 1994, 1997), with the intention of predicting positive outcomes (see figure 2).

One of the healthy signs of research is when debate appears in the disciplinary literature. The leadership literature has devoted attention to the benefits and concerns of the MLQ5X (Tracey and Hinkin 1998; den Hartog et.al 1997; Carless 1998; Bass and Avolio 1993). Critics suggest the proposed dimensionality of the MLQ is not sustained, that is, problems reside in the area of internal validity. Such criticism characterises the ongoing discussion about distinctions between manager and leader behavior as "doing the right thing or doing things right" (Bennis and Nanus 1985:21), and the taxonomy of diverse managerial roles in overlapping leadership functions (Mintzberg 1973). Such debate suggests concerns, and consequent problems in valid measures, can arise from the description of transformational attributes in managerial language. As Tracey and Hinkin’s (1998) study indicates, Bass and Avolio's construct possesses predictive validity, even though concerns about dimensionality remain. Avolio (1998:63) argues for maintaining a broad range of leadership styles in research studies in order to capture subtle behavior in organisations, and that more samples, particularly of a cross-cultural nature, would help build robustness. This study contributes to this ongoing debate.

This paper argues that both transformational and transactional leadership qualities are important features in motivating associates in Extra Effort and Effectiveness. Some divergence appears between Chinese and Australian leaders. In China, primary influences for
extra effort derive from invitations to engage critically on common problems, and effectiveness is influenced by the enthusiasm of a leader to galvanise others. The secondary influence in both cases is the transactional attribute of contingent reward. In Australia, the primary influence upon extra effort derives from demonstrated conviction of a leader and their capacity to align with the aspirations of associates, followed by contingent reward; and effectiveness is influenced more from contingent reward systems followed by transformational idealised influence as a secondary factor.

The structure of this article begins with an overview of leadership theory and the development of the transactional and transformational style used in the study. It progresses to outline the methodology used, covering the issue of translation the MLQ5X for the Mandarin-speaking portion of the sample. The next section is the findings where the regression tables are presented. This is followed by a discussion and concluding section.

**FOUNDATIONS OF LEADERSHIP THEORY**

Some theorists propose an interactional approach to leadership emphasising the complexity of the leadership process as a relational dynamic between leader and follower (Pfeffer 1992; Lessem 1990). This theory understands leadership from a transactional paradigm, where the interaction between organisational members is the critical factor in ascertaining organisational effectiveness. The most recent approach to leadership theory tends to highlight a phenomenological perspective as distinct from an attribute perspective on the role of leader. The phenomenological view includes a leader who empowers followers, and that the leader's vision is one influence in the transformation of both follower and the organisation in managing change (Burns 1978; Rost 1991; Lessem 1990).

This evolution of leadership theory highlights the debate between "soft" intangible characteristics just as much as "hard" tangible behaviors in enhancing the effectiveness of management. This has historical origins with Burns (1978), the works of Lessem (1990:241) and Peters and Waterman (1982), where discussion of leadership emphasised transformational qualities. These qualities incorporated: interdependence, humanistic and personalistic values, and a global orientation, as distinct from emphases on dependence, empirical and positivistic values with all their inherent parochial orientation. The linking of systems, risk sharing, and partnerships (Kanter 1989:118) has influenced the appreciation of leadership anew as a relational and value-laden dynamic, thus supporting a phenomenological paradigm.

For the later part of the twentieth century theorists have contributed to naming the extra qualities of leadership that make it transformational. For some, the leadership competencies required consisted of: attention, meaning, trust, and self(awareness) (Bennis and Nanus 1985), and for others it was the creation of vision, communicating that vision, and the skill to institutionalise the vision within the system (Tichy and Ulrich 1984:63-64; Dunphy and Stace 1990:154-155). Dunphy and Stace (1990) described this capacity of leadership as denoting effectiveness. Essentially, these theorists reinforced that transformational leadership incorporates "soft" characteristics such as vision and charisma and empathy, and that implicitly or explicitly, these are linked to organisational effectiveness. This link to positive outcomes is made explicit in the transformational model of leadership of Bass and Avolio (1993, 1994, 1997).
The theoretical hub of transformational leadership is that it builds upon other valid leadership qualities. For Bass and Avolio (1997) this means that transformational leadership subsumes transactional leadership, which is represented in Figure 1.

**Idealised influence** consists of the two scales of Idealised Influence (attributed) [II Att] and Idealised Influence (Behavior) [IIBeh]. It is behavior exhibiting extraordinary capabilities such as conviction, which demonstrates (moral) standards for which a leader are admired, trusted and respected by followers wishing to emulate such behavior (Bass 1998). This is a dimension of leadership power whereby the behavior exhibited is enriching and helps build self-confidence. Such influence is very different from personal charisma, which for many leaders is self-orientated, by its focus on the development and empowerment of others. But Idealised Influence is sometimes referred to as 'attributed charisma'; the point being focus is on the development of the 'other'.

**Inspirational Motivation** [IM] consists of leader behavior that generates meaning and challenges for followers to envision an agreed future state. Such leaders display enthusiasm and optimism in arousing a group to move to a communicated goal.

**Intellectual Stimulation** [IS] refers to leaders able to "think outside their box", that is, question assumptions and reframe problems in seeking innovative and creative problem solving approaches. Such leadership behavior includes followers in this process and solicits the same type of critical thinking and behavior from them. Moreso, this quality of transformational leadership encourages the same capacity in associates even without the leader's presence.

**Individualised Consideration** [IC] consists of empathy. It is the quality of understanding and sharing the deep concerns of associates. perhaps by way of attending to a follower's needs and aspirations. It includes mentoring, and aims to develop potential through succession training, delegation, performance monitoring and honest feedback.

One of the principle characteristics of transformational leadership is the cascading effect it has in developing effective transformational leaders among associates (Bass and Avolio 1997:30).
Transactional leadership (Bass and Avolio 1997) includes other factors:

- **Contingent Reward** [CR] refers to the expectation that followers/associates have about what they will receive in return for the performance they can deliver. It is a simple exchange relationship, based upon clarity of direction and expected outcomes for some reward, which can be tangible or intangible.

- **Management by Exception** consists of the two scales of Management by Exception (Active) [MEA] and Management by Exception (Passive) [MEP]. In its active form, leaders monitor activity to ensure progress is maintained and outcomes achieved. In its passive form, leaders intervene only when necessary to correct some mistake. In this factor, the modes of reinforcement are likely to be more negative in 'criticising' or 'correcting', rather than the more positive feedback from the contingent reward factor.

*Laissez-Faire* [LF] is a non-leadership factor, indicating a preference to avoid intervention and decisions in business. In this factor, leaders do not engage in initiative, feedback and transactions with associates; and will do so only when it cannot be avoided.

**INSERT FIGURE 2 ABOUT HERE**

Figure 2 represents a model of transformational leadership and transactional and transactional leadership on a scale to illustrate the tendency to effectiveness and ineffectiveness, passivity and activity. Correlations between extra effort and satisfaction ratings paralleled those of effectiveness. The dimension of '4 Is' and contingent reward uniformly correlated more strongly with higher ratings in organisational effectiveness (Bass and Avolio 1997:39-42).

This study sought to test mimic the study with a large PRC-Australian sample and identify leadership predictors in the three positive outcomes. Australian samples feature in the research of Hofstede (1991) and consistently mimic the American-Anglo pattern of low power distance, masculinity and individualism, suggesting close approximations to broader Western indications. However, much of the leadership research is still "Westo-centric" (Yukl 1994). So, the inclusion of a large PRC-based sample of executives broadens the understanding of leadership (Avolio 1998) and allows a mature understanding of leadership effectiveness.

Two genres of leadership exist in Chinese thinking: leadership in private enterprise and in public life. In private business, the personal values define a leader (Zhang 1996) along with moral character and intellectual capacity (Li and Sun 2000). The last quality of 'capacity' mimics the transactional leadership in that it is distinguished by concrete behavior such as: decision-making and social contacting. Leadership within public administration requires attributes of a moral quality feature aligns with Zhao’s (2000) characterization of *Ch.chess* (dialectical training) in leadership, which suggest strategic and intellectual skills associated with intellectual inspiration and motivation of the MLQ 5X

**METHODOLOGY**

The sample consisted of managerial executives of two multinational organisations - one from Shanghai and another from Australia - engaged in joint ventures in the construction and concrete industries. The Chinese sample (n=237) consisted of 237 participants, 79 being Leaders and 158 Raters. The Australian sample (n=135) consisted of 48 Leaders, and a total of 83 Raters, 29.5% of them being at the same level as the Leader and 33.3% at a lower level.
The vast majority of the total sample was male (about 90%) with the remainder comprising both female and those respondents who did not indicate a gender.

The MLQ Multifactor Leadership Questionnaire by Bass & Avolio (1997) was used: Leader Form (5x-Short) and Rater Form (5x-Short) for Leaders and Raters respectively. The researchers considered a formal translation process was called for in order to ameliorate the accuracy of responses. In order to distance the researchers from bias, the questionnaire was developed for the Chinese sample by independent means. It was translated into Mandarin by one Australian-Chinese academic and then back-translated by another Australian-Chinese academic. The translations were checked again by a third academic specialising in (Mandarin) linguistics. During this process, the researchers liaised with one of the authors of the instrument in order to maximise internal validity and build reliability between translations of the original MLQ5X instrument. However, a check using Cronbach's Coefficient Alpha for both samples separately revealed lower coefficient alphas than those indicated by Bass and Avolio (1990:28), due to some low inter-item correlations. These were mainly items 17 and 19, that while minor, suggest a cautious approach to the findings, which may be explained due to the cross-cultural dimension of the sample. This is to be discussed in another article arising from this project.

Scales and sub-scales were formed according to leadership styles - Transformational Leadership, Transactional Leadership and Laissez-faire Leadership - and according to Effectiveness as suggested by Bass and Avolio (1997). The latter three were used as outcome variables when forming regression analyses. The Transformational and Transactional Leadership scales are as outlined above and in Figure 1. Laissez-faire Leadership stands on its own as it has no sub-scales. Effectiveness Scales include the sub-scales of Extra Effort, Effectiveness and Satisfaction.

**Design**

Data were analysed using the Statistical Package for Social Sciences (SPSS). T-tests were used to investigate if differences between the samples and variables are significantly different. Regression reductions using the method of backward elimination and list-wise deletion of data, as well as simple linear regressions were performed.

**FINDINGS**

The study sought to identify factors that predicted Extra Effort (EE), Effectiveness (EFF) and work Satisfaction (Sat). Table 1 outlines a regression reduction of the total sample for transformational attributes of leadership to determine predictors in the three positive outcomes.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>About Here</th>
</tr>
</thead>
</table>

Table 2 indicates the transactional leadership characteristics that impact on the three positive outcomes. It defines Contingent Reward (CR) as significant. Also, Laissez-faire Leadership (LF) is identified in Table 3 as possessing a negative influence to the outcomes.

<table>
<thead>
<tr>
<th>Table 2</th>
<th>About Here</th>
</tr>
</thead>
</table>
Comparisons between the two cultures present the significant predictors for effective leadership. The next tables show a summary of regressions results using Transformational Leadership scales only (Tables 4a and 4b) in order to ascertain the most important predictors of this leadership style.

For Chinese Leaders the best predictor of Extra Effort is Intellectual Stimulation followed by Inspirational Motivation and then Idealized Influence (Attributed) [II(Att)] as indicated by the size of the standardized coefficients (beta). Thus, when these three leadership styles are frequent, Extra Effort is high. The model explains 31.02% of the variance in Extra Effort. Effectiveness is predicted by Inspirational Motivation and Intellectual Stimulation but not II(Att). These two predictors together explain 32.97% of the variance in Effectiveness. Of all the Transformational sub-scales, Inspirational Motivation is the only one to predict Satisfaction. It explains 9.59% of its variance. Thus, Inspirational Motivation is the only predictor explaining some variance in all of the three outcome variables.

For Australian Leaders, Extra Effort, Effectiveness and Satisfaction are predicted by a single variable each, although each being a different one. Idealized Influence (Attributed) explains 14.30% of the variance in Extra Effort; Idealized Influence (Behavior) explains 15.52% of the variance in Effectiveness. Inspirational Motivation explains 34.11% of the variance of Satisfaction, a substantial amount for one predictor.

Table 5a shows that for Chinese Leaders Extra Effort, Effectiveness and Satisfaction are all predicted by Contingent Reward, which has the largest effect on Satisfaction, explaining 18.77% of its variance and the least effect on Extra Effort. Thus, when Leaders display much of these variables, the outcomes are high.

Results for Australian Leaders look different. In this case, Extra Effort is almost equally predicted by both Contingent Reward and Management-by-Exception Active, although in the opposite direction. Thus when Contingent Reward is high and Management-by-Exception is low, Extra Effort is high. Together these two variables explain 21.60% of the variance of Extra Effort. Contingent Reward is also a predictor (the only one) for Effectiveness, explaining 20.56% of its variance. Management-by-Exception Active also predicts Satisfaction in the same manner as it did Extra Effort. I.e. when Management-by-Exception is low, Satisfaction is high. This time it predicts 22.36% of the variance in Satisfaction. Thus, of the Transactional Leadership subscales, Contingent Reward seems to be an important variable both for the Chinese as well as the Australian Leaders.

**DISCUSSION**

When considering only transformational leadership [Table 1] factors, the findings can explain 51.29% of responses concerning how extra effort is derived. Extra Effort is explained by mainly three scales, namely, Individual Consideration (IC), Inspirational Motivation (IM), and Intellectual Simulation (IS), and to some extent by Idealised Influence Behavior (IIBeh)
in that order. The most important variables to predict Effectiveness are Inspirational Motivation (IM) and Intellectual Stimulation (IS), followed by Idealised Influence (Behavior) (IIBeh) and (Attributed) (IIAtt) in that order. Together these variables explain 44.44% of the variance in Effectiveness. In terms of Satisfaction, 38.81% of the variance is explained by Individual Consideration (IC) and Idealised Influence (Behavior) (IIBeh) and to a lesser degree by Inspirational Motivation (IM) and Idealised Influence (Attributed) (IIAtt).

Transactional Leadership scales [Table 2] explain a lesser percentile of Extra Effort, Effectiveness and Satisfaction compared to Transformational variables. Essentially, Contingent Reward (CR) is the best predictor for all three dependent variables. Conversely, all dependent variables have a negative relationship with Passive Management-by-Exception (MEP) which explains the least variance [Table 2]. Similarly, Laissez-Fair-Leadership (LF) [Table 3] is negatively related to all three dependent variables and has the biggest effect on Effectiveness, closely followed by Satisfaction and least effect on Extra Effort.

Transformational leadership qualities feature significantly in ameliorating positive outcomes associated with Effectiveness. In turn, organisational performance is assisted with greater motivation and commitment to strategic ends.

Figure 3 summarizes the regression analyses of Tables 4a, 4b, 5a, and 5b. There are cultural differences in that leadership in China that seeks Extra Effort will be most affected by Intellectual Stimulation, that is, creative thinking in approaching business problems from some new perspective. This suggests that leaders in China who invite participation and critical focus on common problems are likely to get extra effort from associates. Whereas in Australia, the same outcome is more likely to result from (Attributed) Idealised Influence that can be manifested in the degree of charisma, conviction and integrity in a leader. Both Chinese and Australian leaders see Extra Effort arising from transformational qualities.

Effectiveness according to Chinese leaders derives from leaders that instil meaning and exhibit enthusiasm for reaching some agreed future state. For Australian leaders, it is the Contingent Reward arising from some agreed exchange or the clarity from some clear sense of direction. This illustrates some divergence in prime influencing factor for Effectiveness.

Work Satisfaction according to leaders presents the main factor as transformational for Australia and transactional for China. For Australia, the study indicates that satisfaction is primarily influenced by Inspirational Motivation, that is the ability of a leader to generate meaning and enthuse associates about some goal. Whereas for China, the primary factor is Contingent Reward arising from exchange relationship and clarity about expectations accruing.

**CONCLUSION**

This study indicates mixed results regarding the significance of transformational leadership across the cultures represented in the sample. Within the Chinese sample, inspirational motivation features as the first or second attribute in generating extra effort from associates, in their own perception of effectiveness as leader, and in the satisfaction of associates in their
style of leadership. Within the Australian sample, extra effort and effectiveness is derived from attributes associated with idealized influence, and satisfaction in their style of leadership is more derived from inspirational motivation. The findings indicate both Chinese and Australian employees share satisfaction with a leadership style when challenge and enthusiasm is communicated. Both cultural samples share the transactional leadership attribute of contingent reward as a major factor – along with transformational attributes – in ameliorating extra effort, effectiveness and satisfaction.

Bibliography


Table 1: Summary of Regression Reduction using Transformational Leadership Scales - Total Sample

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Extra Effort Standard Coefficient (Significant T)</th>
<th>Effectiveness Standard Coefficient (Significant T)</th>
<th>Satisfaction Standard Coefficient (Significant T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>II (Att)</td>
<td>n.s.</td>
<td>.145 (.010)</td>
<td>.144 (.015)</td>
</tr>
<tr>
<td>II (Beh)</td>
<td>.128 (.041)</td>
<td>.217 (.001)</td>
<td>.217 (.001)</td>
</tr>
<tr>
<td>IM</td>
<td>.255 (.000)</td>
<td>.278 (.000)</td>
<td>.182 (.008)</td>
</tr>
<tr>
<td>IS</td>
<td>.230 (.001)</td>
<td>.253 (.001)</td>
<td>n.s.</td>
</tr>
<tr>
<td>IC</td>
<td>.269 (.000)</td>
<td>n.s.</td>
<td>.279 (.000)</td>
</tr>
</tbody>
</table>

R² %  51.29  44.44  38.81
F  58.965  45.593  35.989
Sign F  .000  .000  .000
Df  4, 224  4, 228  4, 227

n.s - Variable not significant in model

Table 2: Summary of Regression Reduction using Transactional Leadership Scales - Total Sample

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Extra Effort Standard Coefficient (Significant T)</th>
<th>Effectiveness Standard Coefficient (Significant T)</th>
<th>Satisfaction Standard Coefficient (Significant T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>.532 (.000)</td>
<td>.416 (.000)</td>
<td>.491 (.000)</td>
</tr>
<tr>
<td>MEA</td>
<td>.119 (.035)</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>MEP</td>
<td>-.196 (.001)</td>
<td>-.355 (.000)</td>
<td>-.237</td>
</tr>
</tbody>
</table>

R² %  34.54  29.45  29.40
F  39.930  48.416  48.108
Sign F  .000  .000  .000
Df  3, 227  2, 232  2, 231

n.s - Variable not significant in model
Table 3:
Summary of Regression Reduction using Laissez-Fair Leadership scale
- Total Sample

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Extra Effort Standard Coefficient (Significant T)</th>
<th>Effectiveness Standard Coefficient (Significant T)</th>
<th>Satisfaction Standard Coefficient (Significant T)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Predictors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LF</td>
<td>-.248 (.000)</td>
<td>-.357 (.000)</td>
<td>-.343 (.000)</td>
</tr>
<tr>
<td><strong>R^2 %</strong></td>
<td>6.13</td>
<td>12.75</td>
<td>11.78</td>
</tr>
<tr>
<td><strong>F</strong></td>
<td>14.951</td>
<td>34.202</td>
<td>31.113</td>
</tr>
<tr>
<td><strong>Sign F</strong></td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td><strong>Df</strong></td>
<td>1, 229</td>
<td>1, 234</td>
<td>1, 233</td>
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</table>
Table 4a: Summary of Regression Reduction using Transformational Leadership Scales - Chinese Leaders

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Extra Effort Standardised Coefficient (Sig T)</th>
<th>Effectiveness Standardised Coefficient (Sig T)</th>
<th>Satisfaction Standardised Coefficient (Sig T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>II (Att)</td>
<td>.220936 (.0376) n.s.</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>II (Beh)</td>
<td>n.s.</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>IM</td>
<td>.267835 (.0120) n.s.</td>
<td>.469514 (.0000) n.s.</td>
<td>.309655 (.0058) n.s.</td>
</tr>
<tr>
<td>IS</td>
<td>.385059 (.0002) n.s.</td>
<td>.390690 (.0001) n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>IC</td>
<td>n.s.</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
</tbody>
</table>

n.s - Variable not significant in model

R² %     | 31.015       | 32.973       | 9.589          |
F        | 11.08976     | 18.69378     | 8.06022        |
Sign F   | .0000        | .0000        | .0058          |
Df       | 3, 74        | 2, 76        | 1, 76          |

Table 4b: Summary of Regression Reduction using Transformational Leadership Scales - Australian Leaders

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Extra Effort Standardised Coefficient (Sig T)</th>
<th>Effectiveness Standardised Coefficient (Sig T)</th>
<th>Satisfaction Standardised Coefficient (Sig T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>II (Att)</td>
<td>.378169 (.0080) n.s.</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>II (Beh)</td>
<td>n.s.</td>
<td>.393977 (.0056) n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>IM</td>
<td>n.s.</td>
<td>n.s.</td>
<td>.583999 (.0000) n.s.</td>
</tr>
<tr>
<td>IS</td>
<td>n.s.</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>IC</td>
<td>n.s.</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
</tbody>
</table>

n.s - Variable not significant in model

R² %     | 14.301       | 15.522       | 34.105          |
F        | 7.67634      | 8.45193      | 23.80855        |
Sign F   | .0080        | .0056        | .0000           |
Df       | 1, 46        | 1, 46        | 1, 46           |
Table 5a: Summary of Regression Reduction using Transactional Leadership Scales - Chinese Leaders

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Dependent Variable</th>
<th>Extra Effort Standardised Coefficient (Sig T)</th>
<th>Effectiveness Standardised Coefficient (Sig T)</th>
<th>Satisfaction Standardised Coefficient (Sig T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>Extra Effort</td>
<td>.292911 (.0097)</td>
<td>.402999 (.0003)</td>
<td>.433264 (.0001)</td>
</tr>
<tr>
<td>MEA</td>
<td>Effectiveness</td>
<td>n.s.</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>MEP</td>
<td>Satisfaction</td>
<td>n.s.</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
</tbody>
</table>

| R² %       | 8.580              | 16.241                                        | 18.772                                        |
| F          | 7.03867            | 14.73630                                     | 17.33244                                     |
| Sign F     | .0097              | .0003                                         | .0001                                         |
| Df         | 1, 75              | 1, 76                                         | 1, 75                                         |

Table 5b: Summary of Regression Reduction using Transactional Leadership Scales - Australian Leaders

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Dependent Variable</th>
<th>Extra Effort Standardised Coefficient (Sig T)</th>
<th>Effectiveness Standardised Coefficient (Sig T)</th>
<th>Satisfaction Standardised Coefficient (Sig T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>Extra Effort</td>
<td>.328257 (.0167)</td>
<td>.453376 (.0012)</td>
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</tr>
<tr>
<td>MEA</td>
<td>Effectiveness</td>
<td>-.328535 (.0166)</td>
<td>n.s.</td>
<td>-.472907 (.0007)</td>
</tr>
<tr>
<td>MEP</td>
<td>Satisfaction</td>
<td>n.s.</td>
<td>n.s.</td>
<td>n.s.</td>
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| R² %       | 21.599             | 20.555                                        | 22.364                                        |
| F          | 6.19870            | 11.90170                                      | 13.25094                                      |
| Sign F     | .0042              | .0012                                         | .0007                                         |
| Df         | 2, 45              | 1, 46                                         | 1, 46                                         |

n.s - Variable not significant in model
**Figure 1 Model of Transactional and Transformational Leadership**

**TRANSFORMATIONAL LEADERSHIP**

- Idealised Influence Attributed/Behavior + Inspirational Motivation + Intellectual Stimulation + Individualised Consideration

**TRANSACTIONAL LEADERSHIP**

- Management by Exception [A] & [P]
- Contingent Reward

  Expected Effort → Heightened Motivation to attain Designated Outcomes (Extra Effort)

  Expected Performance → Performance Beyond Expectations

\text{(Bass and Avolio 1997: 21)}

**Figure 2 Model of the Full Range of Leadership**

**EFFECTIVE**

**PASSIVE**

**ACTIVE**

**INEFFECTIVE**

\text{(Bass and Avolio 1997:41)}
Figure 3: Comparison of Regression Reduction Summaries Across Cultural Groups

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