Leadership Style in Indonesia:
Does National Culture Effect It?

C Triwibisono

Telkom University, Indonesia

christanto@telkomuniversity.ac.id

Abstract. Although leadership traits are similar across countries, the style of leadership differs. Much research has been done regarding leadership style, but no one has discussed the Indonesian national culture influences on effective leadership style in Indonesia. The behavior of leadership develops through adaptation with the context and culture of the community. Understanding the effect of culture on leadership behavior will provide insight on effective leadership. This study aims to analyze the influence of Indonesia's national culture to effective styles of leadership within Indonesian organization. A review of literature was conducted to determine the key concepts of national culture and connect them with leadership styles. Our study argues, from the five types of leadership style, the most effective style of leadership for Indonesian culture is consultative leadership. This style includes communicating transparently with the staff, building a team, and involving staff in decision making. This research is useful to assist enterprise leaders to understand the culture of Indonesia and adjust leadership style appropriate to the nation culture.

1. Introduction

Culture is knowledge generated from experience and social behavior [1]. Culture can also be defined as a collective mental program which distinct a person from a certain group [2], [3]. Each group member shares and internalizes their social values and norms creating their unique group social values and norms. Therefore, how the member acts, especially under social pressure, is dependent upon their culture. Leadership is the central activity in a group and company, with the top leader as a figure that ensures the company reaches its goal. Company leaders consist of individuals that cooperate to move to the same direction and resolve company workload. Every company needs a leader, because the company leader has much task. Besides regulate and stir the company to reach its goal, leader takes on the responsibility of employees. The leader has to understand the behavior and character of every employee, which is not an easy task considering the number of employee in a company. Leaders have to be aware of this situation to reach the company's goal. Great skilled leaders are those that can make this happen [4].

The role of the leader is important because of the high interaction between employee and their leader. When the employee finds a problem, they will ask their leader. Inadequate leadership causes inadequate leader-employee relationship, and employee will lose their guidance, disrupting the company's performance. Managers from different countries have a different way of understanding effective leadership. Until now, there is only a few studies about the relationship between national culture and leadership [5]. Therefore, this study is important to provide insight on influence of national culture to leadership style.

2. Research Methods

Literature research is used as method of study. Existing literatures are analysed to understand key concepts in the nation's culture and leadership style. Conceptual connections are developed relating national culture with effective leadership style.

3. Theoritical Framework

3.1 National Culture

Culture is knowledge generated from experience and social behavior [1]. Culture can also be defined as a collective mental program which distinct a person from a certain group [2], [3]. Each group member shares and internalizes their social values and norms creating their unique group social values and norms. Therefore, how the member acts, especially under social pressure, is dependent upon their culture. Knowledge about culture helps us to interact and communicate with other people.

Culture is generated from people's norms, values, and believes [6]. Culture is defined as a common process to share how to think, feel, act, share social environment, use technology, and experience the same history, language, and origin. Culture for people is as important as water for a fish, which a fish has just realized the importance of water after being out of the water. Thus, culture can keep people breathe and alive [7].

There are different perceptions of national culture which makes different framework and dimension, including: Hofstede dimension, Trompenaars dimension, and Hall dimension. However, all of these dimensions have the same point: first, people are exposed to culture since a young age through social behavior, rules, and law; second, culture has different layers from individual to community. Understanding about culture is important for organization development.

A common way to understand the influence of culture in organizational behavior is by using Hofstede framework, which comprehensively includes the dimensions of national culture [8]. This framework is implemented by numerous studies to analyze the influence of national culture on management. Hofstede's framework provides brief explanation from concepts to the measurement of variables. Hofstede Framework describes 4 dimensions of culture [2]: 1) Power Distance Index. 2) Individualism. 3) Masculinity. 4) Uncertainty Avoidance Index.

3.1.1 Power Distance Index

PDI (Power Distance Index) is a step about power in organization. How low the power of institution or organization member can be accepted. At this point, institution or organization members have variable power. This describes a difference (more versus less) that is described from the low point. The community level difference is ratified by the leader and the follower.

The Indonesian community model, in many Hofstede culture perspectives, has a high power distance. That means Indonesian has hierarchical order in which person with high or low status feels comfortable with their condition and perceive it as a natural process. The leader has a right as a leader and the subordinate accepts the condition. The leader-subordinate relationship is similar with a parent-child relationship. The subordinate follow a vertical relationship with the leader by thinking the leader as their parent and positioned themselves as a child. Work relationship between the leader and the subordinate is not only about professionality, but also about good manners. For the subordinate, they feel calm in conducting their work because they have the sense of security that their leader will bear responsibilities. As for the leaders, their subordinates is a policy support, and has reliable loyalty [9].

3.1.2 Individualism

IDV (Individualism) is the opposite of collectivism. In collectivism, individuals are attached to their group so the cohesiveness is high. But in individualism, the connection between individuals seems lost and emphasizes individual's moral worth instead.

In a collective culture, a person will learn to prioritize group goals over individual goals. In this kind of culture, a compromise is highly appreciated. It's not common for people to have a different opinion from the general view point. Holding on to personal opinion is uncommon and viewed as inappropriate. In Indonesia, deliberations are held to align common aspiration. In workplace, creating a good relationship between superiors, subordinates, and colleagues is essential before engaging in a job. The job of an employee is not to only focus on work, but also paying attention to non-technical matters outside of work, such as maintaining group harmony, not being too assertive, and integrating oneself to the bigger part of the group [9].

Pointing out a mistake is a good thing, but it is considered offensive when done in public. In fact, being considerate of other's feeling is more important than telling the truth. The strong value of not hurting others has a negative side to it, especially in Javanese culture, as indirect answers and communication can perceived as lying. Pastor van Lith, a Catholic missionary who is also known as an expert in Javanese's language and philosophy, straightened the negative outlook by saying, "Westerners can't understand Javanese's custom. Westerners' children are taught to not lie when Javanese's children are taught to be sensitive of others" [9].

Discussion about collectivist-individualist in Indonesia cannot be separated from the strong concept of gotong royong (mutual aid). In this concept, human is perceived as a social being who are dependent upon other human beings, especially family, to survive. This way of thinking provides a feeling of security in the society. However, there is also a negative effect, as gotong royong concept forces responsibility to maintain one's relationship with another, caring for their needs and problems, especially to one's own relatives. This kinship system is also brought into workplace, possibly closing career opportunities for others who do not have connection to superiors, even though they produce better achievements [9].

3.1.3 Masculinity

MAS (Masculinity) is the opposite of femininity. Masculinity means the dominant values in society is assertiveness, prioritizing ambition and competitiveness. In general, it can be said that society puts emphasis on success, money, and wealth. On the other hand, femininity means the society's culture emphasize quality, harmony, and tranquility of life, family, and concern for the weak.

High perception level of masculinity aspect shows cultural shift that leads to masculine priority such as assertiveness, money, wealth, and success. The change in masculinity dimension score is an effect of materialistic culture caused by expensive life demands [9].

3.1.4 Uncertainty Avoidance Index

UAI (Uncertainty Avoidance Index) is a measure for tolerance of ambiguity and uncertainty. A nations who are categorized as having a strong uncertainty avoidance is indicated by busy, restless, emotional, aggressive, and active society. Whilst nations categorized as having a weak uncertainty avoidance are indicated by passive, easy-going, idle, controlled, and lazy society. Society with strong uncertainty avoidance maintains their time as if it is more important than maintaining life itself. Uncertainty avoider society will try to eliminate any possibilities which may result to unexpected outcome by adopting strict rules. While less uncertainty avoider society are more willing to accept any unexpected outcome. According to Islam, the major religion in Indonesia, people must believe in providence of God as one of the pillars of faith. With this concept, success and failure is not solely due to human efforts, but there is also a stronger element beyond human powers, that is the power of God. The belief in the providence of God may be an important factor in facing uncertainty, namely, resignation to the unpleasant or distressing situations [9].

The crisis that hit the Indonesian since 1998, election conflicts in some areas, floods, and natural disasters that often befall Indonesian turned out to have no effect on the anxiety level of the people. This score describes an extraordinary level of resignation even in poor condition. The strong values of religion (Islam) may be an important reason why Indonesia's uncertainty avoidance score is quite low [9].

Theoretically, low uncertainty avoidance is characterized by risk-taker employees who prefer challenging task and have motivation to pursue higher career. In nations with high uncertainty avoidance such as America and Japan, employees seem busy, restless, emotional, aggressive, and active. In Indonesia where uncertainty avoidance is low, employees are expected to like both risks and challenges of work, but what often happens is the negative trait of laziness [9].

4   Result and Discussion

4.1 Leadership

The quick and constant changes lead to an increasingly dynamic business world, that demands a wide range of innovation and changes within the organization, in order to survive in a competitive environment. Companies / organizations require leaders to confront the status quo, to create a vision of the future, to inspire members of the organization, and to direct them to be able to achieve that vision. Leadership is the ability to influence a group to achieve a vision or a series of goals [10]. Organizations needs good and proper leadership to achieve optimal effectiveness.

All leaders from effective groups have four main characteristics [11]. First, they provide guidance for the people they lead. This means that they can remind their followers about important things and guide them to realize that what they do can make a difference. Second, leaders foster trust. Third, leaders encourage people to act and to take risk. They are proactive and dare to fail in order to succeed. Last, they give hope. With real or symbolic way, they emphasize that success can be achieved.

There are five types of leadership style: participative, consultative, consensus, democratic, and autocratic. Participative leadership is the type of leadership that actively include feedbacks from staff and distribute authority in decision-making to some of the staff [12]. This kind of leadership enables an increase in employees' performance, better organization result, higher employee engagement, improved succession planning, and enhanced work efficiency.

Consultative leadership involves discussion with staff before the leader makes a decision [13]. This leadership style can also increase participation and sense of belonging to the decision that has been made. Leaders with consultative leadership style do not only give much guidance, but also support to their subordinates. Oversight and direction is done by the leaders, so subordinates can complete their tasks. A direct indicator of consultative leadership style is the perception of employee about their leaders. Consensus leadership style engages stakeholders within the organization to discuss problems and to arrive at a consensus, after which the leader will make the final decision [13].

Democratic leadership style gives workers a voice in decisions making. This style builds workers' flexibility and responsibility, giving a sense of ownership to the decisions taken, which in turn increase motivation [11]. Autocratic leadership style is a leadership style that only involves the leader in decision making. This style is well-known for its lack of consultation or agreement with the staff, reducing empowerment, but efficient because of rapid implementation [14].

4.2 National Culture Influences to Leadership

The main principle of effective leadership is thinking according with organization's mission, defining and enforcing them, clearly and conspicuously [15]. Asian companies tend to be more bureaucratic, hierarchic, centralized in decision making, and driven by wisdom [16]. This is due to a large power distance in Asian countries. Leadership tends to be based on position, authority, and seniority. Asian companies often rely on people rather than rule, so leaders dominate the organization.

Leadership influences organization performance in the Middle East and US [17], in the US people-oriented leadership (tolerance) is correlated to leadership effectiveness, unlike in the Middle East where task-oriented leadership (initial structure) is related to leadership effectiveness. This research is relevant with Indonesia, because power distance in Middle Eastern countries are similar to Indonesia.

Indonesia's *Gotong Royong* (mutual cooperation) culture causes leaders to be more likely to succeed if they consult with their superiors and give guidance to subordinates. Meetings are held to consult with executive seniors, discussions and exchange of ideas are conducted between employees and management, feedbacks from subordinates are accepted, before the senior leader makes the final decision. This provides opportunity for staffs to brainstorm the problem in a group discussion, before final decision is made by senior manager. Although the decision making process takes longer time, but all parties feel they have taken part in the decision, so that it could be executed together. Managers needs to engage with their staff to understand the latest situation before they make an important decision, as staffs will gladly execute these decisions if they understood the reasons behind them.

Autocratic leadership style reduces the effectiveness of a leader in Indonesia. Even though the decision-making process is much faster, the staffs execute the decision half-heartedly. Leadership characteristics such as charisma, integrity, diplomacy, administration skill, the capability to inspire, and future orientation are needed for effective leadership. Managers with less experience tend to use the autocratic approach. This approach results in low level teamwork and the difficulties to achieve the desired results.

Building a team suits the collectivist culture of Indonesia. Leaders who build a team within their organization, as a basis to establish a working relationship, will have a better level of cooperation from their staff, so their leadership will be more effective. To build a team, communication skills is needed to contact supervisors, colleagues, and subordinates. Managers who practice strong communication skills in their jobs have advantages compared to less skilled managers.

Managers who understand their staffs, will make a successful team. Knowing the staffs, recognizing their potential and ability will make them feel more appreciated, more accepted as a part of the team, hence it will build more effective team to achieve goals.

5. Conclusion

Consultative leadership style is the most effective leadership style in Indonesia. Communicating transparently with the staff, building the team, and involving staff in decision making will improve managers' leadership effectively in Indonesia.

References

[1] F. Luthans, *Organizational behavior : an evidence-based approach*. 2011.

[2] G. Hofstede, "National Cultures in Four Dimensions: A Research-Based Theory of Cultural Differences among Nations," *Int. Stud. Manag. Organ.*, 1983.

[3] G. Hofstede and G. J. Hofstede, "Culture and Organizations. Intercultural Cooperation and its Importance for Survival, Software of the Mind," *McGraw-Hil*, 2005.

[4] S. P. Robbins and M. Coulter, *Management 11th Edition*. 2012.

[5] A. Nyberg, P. Bernin, and T. Theorell, "The impact of leadership on the health of subordinates," *SALTSA Rep. 1*, 2005.

[6] A. L. Kroeber and C. Kluckhohn, "Culture: a critical review of concepts and definitions.," *Pap. Peabody Museum Archaeol. Ethnol. Harvard Univ.*, 1952.

[7] G. Darlington, "The seven cultures of capitalism: Value systems for creating wealth in the United States, Britain, Japan, Germany, France, Sweden and the Netherlands," *Long Range Plann.*, 1994.

[8] R. S. Schuler and N. Rogovsky, "Understanding compensation practice variations across firms: The impact of national culture," *J. Int. Bus. Stud.*, 1998.

[9] S. Sumantri and Suharnomo, "Kajian Proposisi Hubungan Antara Dimensi Budaya Nasional dengan Motivasi dalam Suatu Organisasi Usaha," 2007.

[10] S. P. Robbins and T. A. Judge, *Organizational Behavior*. 2013.

[11] D. Goleman, "Leadership that gets Results," *Harv. Bus. Rev.*, 2000.

[12] R. J. House and M. Javidan, "Overview of GLOBE," in *Culture, Leadership, and Organizations: The GLOBE study of 62 societies*, 2004.

[13] T. Oshagbemi, "The impact of personal and organisational variables on the leadership styles of managers," *Int. J. Hum. Resour. Manag.*, 2008.

[14] M. Z. Hackman *et al.*, "Leadership: A communication perspective," *Leadersh. Q.*, 2008.

[15] V. Venkaiah, "Leadership in a Globalised Economic Era : Some Perspectives and Challenges," 2013.

[16] A. G. Walder, "Local Governments as Industrial Firms: An Organizational Analysis of China's Transitional Economy," *Am. J. Sociol.*, 1995.

[17] K. Leung, L. Lu, and X. Liang, "When East and West Meet: Effective Teamwork Across Cultures," in *International Handbook of Organizational Teamwork and Cooperative Working*, 2008.