**Cultural congruence vs cultural authenticity – which proposition better predicts international leader effectiveness? A study of middle managers in a Finnish-based MNC.**

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The ‘cultural congruence proposition’ has long been accepted as a credo amongst cultural theorists and researchers (Dorfman & House, 2004). According to the proposition leader behaviour which is aligned with collective cultural values will engender more positive ratings of effectiveness than behaviour which conflicts with cultural values. Hence leaders from one culture encountering others from a different culture should modify their behaviour towards the collective values of the others in order to enhance their effectiveness (Dorfman, Hanges & Brodbeck, 2004).

Recent research suggests that individual leaders’ effectiveness is engendered by behaviour which is ‘authentic’ or consistent with their own personal values (Avolio & Gardner, 2005). By drawing together the streams of cultural congruence and authentic leadership theories we developed a new proposition which asserts that leaders who are culturally authentic, or who behave consistently with their own cultural values, will be considered as more effective than leaders who do not behave consistently with their own cultural values. To the best of our knowledge this ‘cultural authenticity’ proposition has not been published or tested previously. Our purpose in this study was to test the two propositions amongst employees in an international commercial enterprise.

Methods

We conducted our study in a Finnish-based MNC and received 442 questionnaire responses. 85 of these respondents were middle managers and served as our ‘target leaders’. 337 of these respondents were superiors, peers, and subordinates which served as our ‘raters’ of the target leaders’ effectiveness. We developed a new 360 degree instrument on the basis of the GLOBE items (House et al., 2004), and a measure for multicultural leader effectiveness (MLE) which taps various leadership outcomes. Both measures demonstrate adequate psychometric properties

Cultural congruence was operationalised as the ‘match’, or absolute arithmetic difference, between target leaders’ actual behaviour, which was measured using an adapted version of GLOBE Project’s (House et al, 2004) culturally endorsed implicit leadership theory (CLT) questionnaire, and the societal level CLT’s of the raters’ own nationality, for which we used the respective country scores published by GLOBE (House et al., 2004). Cultural authenticity was operationalised as the ‘match’, or absolute arithmetic difference, between target leaders’ actual behaviour, and the societal level CLT’s of the target leader’s own nationality.

We tested our propositions separately using multivariate hierarchical regression analysis by regressing the outcome variable (MLE) on blocks of predictor variables. Further detailed Tables and Figures will be shown during the presentation.

Results

The relationship between overall cultural authenticity (across all six dimensions) and MLE was significant (β = -.18, *p* =.00, N=337) where cultural authenticity accounted for 2% of variance in MLE ratings over and above 11% of variance accounted for by the control variables and other predictor variables. However the relationship between overall cultural congruence (again across all six GLOBE leadership dimensions) and MLE did not reach significance (β = -.11, *p* =.11, N=337). Detailed results, for example, addressing findings per GLOBE dimension, are reported during the presentation.

Discussion

The study’s results provide clear support for the new cultural authenticity proposition. However they do not necessarily indicate that the cultural congruence proposition is wrong. Two characteristics in our study suggest that the two propositions are complementary rather than contradictory. Firstly, the extent of behaviour modifications called for in the cultural congruence proposition are proportionally related to the cultural distance between the actors involved (Brodbeck, Frese & Javidan, 2002). The cultural composition of the study’s sample was predominantly from European Nordic, Anglo and Germanic regions (Gupta & Hanges, 2004) and consequently there was relatively low cultural distance between target leaders and raters, matched by the poor results for cultural congruence. Secondly, the basis of implicit leadership theory (and hence CLT theory) is that individuals build cognitive schemata to help explain events (Shaw, 1990). If individuals are familiar with others from different cultures then they have the opportunity to develop schemata representing CLT’s for those cultures and may be more likely to rely on cultural authenticity to make judgements about leader effectiveness. In our sample participants from cultural minority groups were rather familiar with members from the dominant Finnish culture.

Hence a proposition for future research can be derived: the greater the cultural distance between leader and others, the more likely it is that cultural congruence predicts ratings of leader effectiveness, and, the greater the cultural familiarity of others with target leaders the more likely it is that cultural authenticity predicts ratings of leader effectiveness. Further explanations and future research questions in this domain will be discussed during the presentation. (745 words)

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