



## Southern Asia cluster: where the old meets the new?

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### Abstract

The GLOBE southern Asia cluster consists of India, Indonesia, Iran, Malaysia, Philippines, and Thailand. The cluster has a total population of almost 1.5 billion and a gross domestic product of almost U.S.\$1 trillion. The hallmark of the cluster is its high power distance and group and family collectivism practices. In terms of values, it aspires for a much stronger future orientation and performance orientation, and much lower levels of power distance. The cluster highly values charismatic, team oriented, and humane leadership. The managerial implications of GLOBE findings are discussed in the paper. © 2002 Published by Elsevier Science Inc.

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### 1. Introduction

Cultural data consist of measurements of the worldviews or systems of mental constructions that people use to interpret and respond to the world around them, and of the values and behaviors that this sense-making process generates. Cultures evolve over time, so to understand a cultural landscape, it is critical to develop an in-depth knowledge of the worldviews and the historical processes of their construc-

tion, evolution and diffusion. This article analyses the findings of the GLOBE study in the context of history and religion to provide an in-depth understanding of the culture of southern Asian cluster. Insight into the social foundations of south Asian culture is essential for multinationals and managers given the rising importance of this region as a manufacturing center, a developing and high growth market, and a source of talent for knowledge and technology intensive industries.

In GLOBE's upcoming book (House, Hanges, Javidan, Dorfman, Gupta, & GLOBE, 2002), Gupta, Hanges, and Dorfman (in press) empirically showed the southern Asian cluster to consist of the following countries in GLOBE: India, Indonesia, Philippines, Malaysia, Thailand, and Iran. While there are several other countries like Nepal and Pakistan that are probably members of this cluster, they were not studied by GLOBE, so they are not included in our analysis in this article.

In this report, we will:

- present a demographic and economic profile of the cluster;
- discuss the historical and religious foundations of the cluster's worldviews;
- present GLOBE's findings on the dimensions of societal cultures in the cluster;
- present GLOBE's findings on the major leadership models in the cluster;
- discuss the managerial implications of the GLOBE findings.

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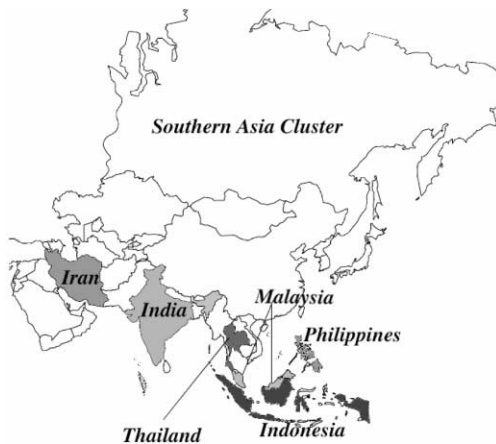


Fig. 1. The map of the region.

## 2. Demographic and economic profile

Fig. 1 shows a map of the GLOBE countries in southern Asia cluster. The group spans a vast geographical area. The eastern most country is Philippines and the westernmost nation in the cluster is Iran.

Important statistical information about the GLOBE countries in the southern Asian cluster is provided in Table 1. Almost 1.5 billion people live on a total landmass of close to 3 million square miles. India is the most populous country with a population of about 1 billion people. Malaysia is the smallest with a population of 22 million. The countries in this group generate a collective gross domestic product of almost U.S.\$1 trillion, which is a very small proportion, 3% of the world's economy. This is quite low given the fact that the cluster accounts for 24% of the world population. The GNP per capita (purchasing power parity, PPP) in this cluster is just below U.S.\$3000. The wealthiest country is Malaysia with a PPP GNP per capita of over U.S.\$8000. India has the lowest GNP per capita of about U.S.\$2250. Agriculture represents a much stronger economic force in this region compared to the world as a whole. It accounts for an average of 23% of the economy of this region compared to only 4% of the world economy.

The cluster represents medium scores on human development index, which reflects quality of life, education, and life expectancy in each country. The rankings in this group range from 56 (Malaysia) to 115 (India). A higher ranking means lower overall score for the country on HDI, reflecting lower quality of life, lower levels of education, and lower life expectancy.

## 3. The worldviews of southern Asia: historical and religious foundations

Culture as an outcome of the interplay between religious, historical, political, social and economic forces consists of a

coherent system of representation, a *weltanschauung*, or a worldview that distinguishes the citizens of a country and makes them indubitably the nationals of a particular state. We first trace the early history of this region to provide an understanding of its evolution. Next we summarize the influence of religious ideologies and cultural practices they promoted.

## 4. Historical foundations of the southern Asian worldview

Radioactive dating of the archeological materials indicates continuous development of the civilization of the greater Indus Valley, covering eastern Iran, southeastern Turkmenistan, Baluchistan, Afghanistan, Pakistan, and western India, since at least about 5000 B.C. (Thapar & Moghul, 1996). Most of the 2500 known settlements of the valley were on the now dry, Saraswati river, and on its key tributaries, such as Indus and Ganges (Feurstein, Kak, & Frawley, 1995). Both natural disasters as well as manmade factors contributed to the disintegration of Indus Valley. In particular, soon after the Akkadians from Arabia led by King Sargon (2334–2279 B.C.) ran over Sumerian mesopotamia and extended control over Persia, a new complex emerged in the Margiana deserts of Turkmenistan, which then occupied Bactria in Afghanistan (Hiebert, 1995). Between 1900 and 1700 B.C., huge quantities of natural resources were exported to the Mediterranean from the Indus Valley in unfinished forms (Sarianidi, 1996) by the invaders, referred to as *Dasas*, before the *Bharata* kings from upper Ganges region put an end to the occupation of the western parts of the Indus Valley (Witzel, 1995).

According to *Rigveda*, the earliest historical book on the region (dated around 1700 B.C.), several independent local kings governed the region that had localized patterns of trade, exchange, and cultural development. The kings ruled with assistance from three official governing assemblies: *samiti* (the Parliament, comprising of nobility), *vidatha* (comprising of prominent scholars), and *sabha* (comprising of village heads). The king as *kulapati* (*lit. head of the family*), was the supreme patriarch, expected to exert military power for the maintenance of peace. As *janapati* (*lit. head of the people*), the king was a custodian of moral order and justice, elected by the people for their protection, and expected to rely on voluntary contributions rather than on imposed taxes.

With the early adoption of iron and glass technology (which appeared around 1200 B.C.) in the upper Ganges region, new minerals were mined and were traded throughout the Indus–Ganges Valley, once again unifying the regional network that had disintegrated under foreign invasions in 1900 B.C. The regional networks were extended through the performance of the *rajasuya yagya* (religious rites of Emper- orhood) a concept of kingship based on territorial conquest, in which a king was declared emperor and surrounding

Table 1  
Economic and demographic profile, 1999

	Surface area (×1000 m <sup>2</sup> )	Population (Millions)	Life expectancy (Years)	Female ratio (Percentage of population)	GDP (\$U.S. billion)	GDP per capita (PPP U.S. \$)	Human develop index-world ranking	Agri value added (% GDP)	Mfg value added (% GDP)	Trade (% GDP)
India	1148	993	62	48.4	447	2248	115	29	16	27
Indonesia	700	209	65	50.1	143	2857	102	20	25	62
Iran	632	69	68	49.8	111	5531	90	25	15	37
Malaysia	127	22	72	49.3	79	8209	56	13	29	219
Philippines	117	74	69	49.6	77	3805	70	17	22	101
Thailand	197	62	70	50.0	124	6132	66	11	32	102
Southern Asia Cluster	2921	1429	64	48.9	981	2827	80 (median)	23	20	64
World	46635	5863	66	49.6	30351	6980	81	4	21	52
Southern Asia/World	0.06	0.24	0.96	0.99	0.03	0.40	Medium	5.75	0.95	1.23

Source: Human development report (2001).

kingdoms were required to recognize him as their moral and political overlord, or else face military action. An important consequence of this system was its impact on the role of women. With the rise of *rajasuya yagya*, other kings were asked to obey the emperor, often by agreeing to marry a daughter to the emperor. This practice contributed to a male dominated society to perpetuate the traditions and power of the imperial state. The preference for male children and practice of dowry system are two important cultural artifacts of these societies, which were reinforced by Arabic occupation during the second millennium.

The 6th century B.C. marked the birth of two major social reformers renowned for their teaching of the principle of non-violence (*ahimsa*), Mahavir Jain (599–527 B.C.) and Gautama Buddha (563–483 B.C.). It was a critical period in the development of social values in this region. Around the same period, the Persian Empire extended its dominance of this region under Cyrus (558–530 B.C.) and his successor Darius (521–485 B.C.) who occupied Gandhara (Afghanistan). Later, the Greek king Alexander the Great (327–325 B.C.) conquered this region after his occupation of the Persian Empire.

After defeating the Greeks in the late 4th century B.C., the local Maurya kings in the region, of which Chandragupta and Ashoka were most celebrated, supported non-violence and economic and political unification with the surrounding areas. The cooperation and goodwill among diverse ideologies of Brahmins, Buddhists, and Jains were emphasized, and all these ideologies were given royal patronage at this time.

Between 2nd century B.C. and 1st century A.D., as a result of the building of the Great Wall in China, various tribes conducting trade on the western borders of China moved towards Afghanistan, Pakistan, and India. As a consequence of attempts to divide and rule by these multiple tribes, a complex caste system emerged along with rules regulating entry into an occupation based on parental occupation and village. In addition, Buddhism was adopted as a state religion by the Kushans, the most powerful of the incoming tribes, for sanctioning authority and morality of the rulers. Buddhism was promoted actively through missionary efforts extending to far corners of the region and outside.

With the fall of Kushans and the Roman Empire and the breakdown in the northern trade route in 5th century A.D., Arab traders focused on south India and southeast Asia. There was reformulation and revival of Brahmin ideologies in the region. The new trade opportunities resulted in increasing commercial activity and urbanism in south India and southeast Asia, as well as concomitant diffusion of religion and education, and the rise of several kingdoms adhering to Buddhist and/or Brahmin values and practices.

In 980 A.D., Islamic Arabs under Subuktigin defeated the Hindu King Jaya Pala of Afghanistan, and by the late 13th century, they set up the Islamic state of the Sultanate of Malacca (in Malaysia), and extending its influence as far north as Philippines (Steinberg, 1987). The Straits of

Malacca—between Indonesia and Malaysia—was a strategic sea route for Indo-Chinese trade. In response to Arab hegemony, the Ming dynasty in China encouraged Chinese migration into new trading posts in southeast Asia during the 14th century. This policy was the beginning of systematic Chinese influence on southern Asian cluster societies. However, in the early 16th century, the Portuguese and the Dutch began acquiring colonial power and used Chinese migrants as intermediaries to control local trade in southeast Asia. This strategy was also followed by the British in the 18th century (Widodo, 1996). After southeast Asian societies gained independence in mid-20th century, Chinese migrant families emerged as the principal economic players. While retaining strategic and financial control, the Chinese businesses in southeast Asia hired local employees for day-to-day operations and to gain legitimacy within the social, political, and cultural environments.

Historically, the region boasted of communities loosely united through alliances, and experienced intermittent local and foreign conquests for rule over primarily agrarian and craft-based economies. The development of diverse religious thought may partly be viewed as an outgrowth of political and historical development and is already described.

## 5. Religious influences on southern Asian worldview

The region boasts of significant religious diversity: 46% of its population is Hindu, 35% Muslim, 7% Buddhist, and 6% Christian. Philippines is the only country in this cluster with a dominant Christian population because Spanish colonization of Philippines in the 16th century led to widespread conversion to Christianity. In comparison, only 16% of world population is Hindu, 18% is Muslim, and 6% of Buddhist, while 33% is Christian. Thus, compared to the rest of the world, a greater percentage of the population of this region is comprised of Hindus, Buddhists and Muslims. Despite such diversity, tolerance for other faiths is evidenced by joint celebration of religious holidays, and respect for one another's leaders and places of worship.

The region's three most influential religious worldviews will be highlighted to provide a deeper understanding of cultural practices and aspirations in this region. The descriptions are presented under two headings: Hinduism (plus Buddhism) and Islam.

## 6. The worldview of Hinduism

Although many philosophical schools exist, Hindu moral philosophy is governed by two important principles: *karma* and *dharma*. *Karma*—from the root *kri*, “to do”—was originally a power by which one could determine one's destiny through one's intent, behaviors, and actions. The sacred texts of the *Upanishadas* (around 700 B.C.) commanded the

individual to be responsible for personal conduct and not expect the priesthood alone to safeguard one's destiny through the performance of sacred rites.

*Dharma* is a guide in social and moral issues and is closely connected with *karma*. It literally means, "to uphold what is correct", what may today be called morality. One could break the chain of rebirths through appropriate performance of one's *dharma*, the duties and responsibilities, and performing them earnestly. It was later subsumed into a theory of social caste, based on social division of labor and the ethical imperative of doing the very best in whatever situation a person is placed. Each person had a moral responsibility to learn from the elders, which included the occupational knowledge and expertise, and to pass on the wisdom to the progeny.

An outgrowth of turbulent times, Buddhism recast the basic tenets of Hindu philosophy focusing on the removal of human suffering. Buddhism emphasized that all dissatisfaction stems from the human tendency for desire and aversion. It advocated a middle path avoiding extremes of conduct such as austerity and indulgence, promoted the use of reason, instead of the performance of religious rites as enjoined by Hindu priests, and adapted the doctrine of rebirth to formulate the ethical theory that people are accountable for their actions to the end of their lives.

## 7. The Islamic worldview

The Islamic worldview is comprised of two groups: the *Sunni* or traditionalist faction, who constitute the majority of Islam and the Arab world, and the *Shi'ah* or the legitimist faction mainly based in Iran. The *Sunni* focuses on the customs and views of the majority of the community, rather than of peripheral groups. Following the sayings of the Prophet that, "differences of opinion among my community are a blessing", the community is expected to embrace accommodation, catholicity and synthesis. While the *Sunni* hold consensus of the community as the source of decision-making, the *Shi'ah* view the knowledge derived from worldly sources as futile and believe that only contact with the Imam, the religious leader, can lead to true knowledge. Just like other religions of the region, Islam was frequently used for political purposes, infused with a feudal ethic that allowed its early adherents to become the wealthiest (Weber, 1963: 262–263).

In addition to religious diversity, the cluster is also characterized by diversity in cultural expressions. Each state within the nations of the cluster often has its own distinct language, cuisine, arts, dances, clothing, and customs, and may even be considered a mini-nation. Nevertheless, centuries of cultural, religious, economic, and political exchanges provide an integrating force. While some philosophical systems such as monotheism tend to downplay diversity, others focus on the role of heredity and ethnicity in shaping divergent beliefs and values. In southern Asia,

this pair of opposites is perceived to be two sides of the same coin, or what is termed as unity in diversity (Tirmizi, 1993), and is even enshrined on Indonesia's coat of arms as *Bhinneka Tunggal Ika* and described as '*Aneka Me Ekta*' by Nehru, India's first Prime Minister. In summary, while multiple layers characterize the southern Asian worldviews, no layer really dominates the others, so that the system appears irrational to the outsiders and one in which the modalities of development are highly challenging for the insiders.

## 8. Findings from GLOBE data

As part of GLOBE research program, middle managers of firms in 61 societies were asked to report cultural practices and values in their countries. The managers also rated effectiveness of alternative leader behaviors, using six second-order leadership profiles were developed. The nine cultural dimensions and the leader profiles are explained in detail by House, Hanges, Ruiz-Quintanilla, and Dorfman (1999). In the following pages, we will present the results on societal practices and values, and discuss alternative models for outstanding leadership.

## 9. Societal practices and values in southern Asian cluster

Fig. 2 shows the scores on the nine dimensions of societal culture. The scores here are the average of the individual scores aggregated at the society level. The means of societies are then averaged to obtain the cluster scores.

As shown in Fig. 2, the cluster's societal practices are rated as high on group collectivism (5.87), power distance (5.39), and humane orientation (4.72) and low on gender egalitarianism (3.28). The other cultural dimensions are rated in the mid-range, around an average of 4. The cluster is distinguished as highly group oriented, humane, male dominated, and hierarchical. Several foreign invasions in the past and colonialism may account for submission to power, and also great reliance on the groups for support. Additionally, power distance can be attributed to the historically rigid and hierarchical organization of society into various socioeconomic classes. Low gender egalitarianism may be identified with the early socialization of the region's women. In this region, a woman typically grows up learning that her salvation lies in observing the commands of her father during childhood, of her husband and in-laws after marriage, and of her children after they grow up. She typically accepts this as her *dharma* from previous births (Kumar, 1991).

The historical role of women seems to continue in modern times. In 1985, women constituted just 6.6% of managers-administrators in Indonesia, 8.3% in Malaysia, 15.4% in Thailand, and 25.4% in Philippines (Women Managers in Southeast Asia, 1990). In the private sector, most

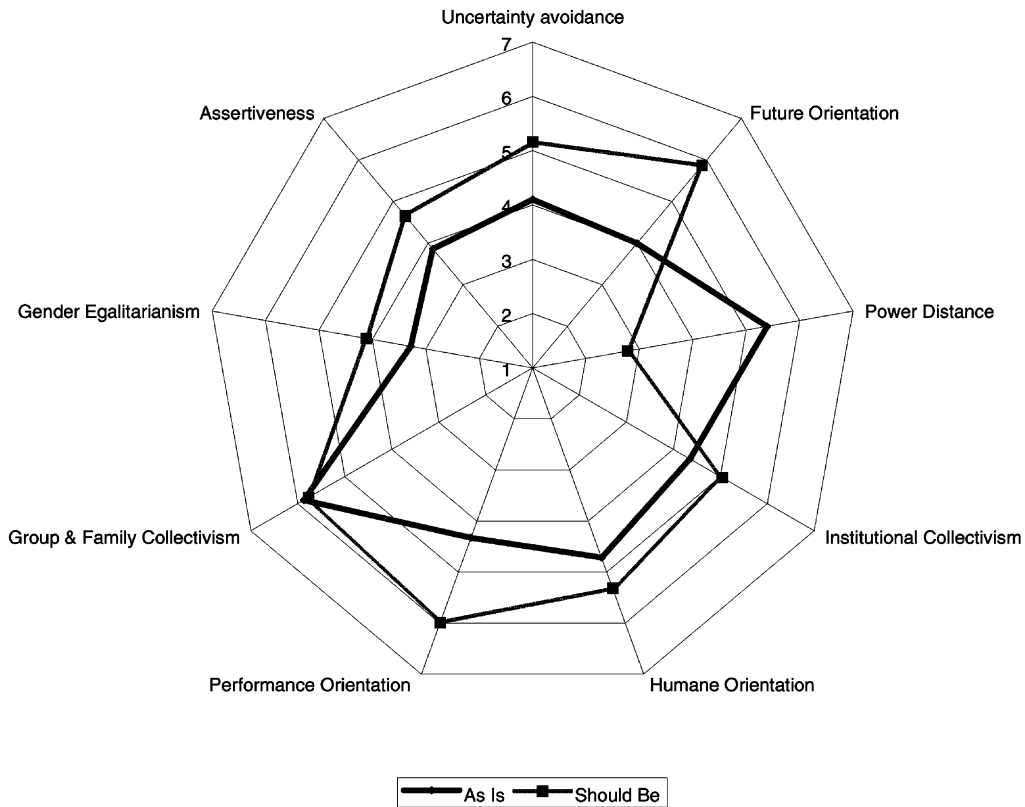


Fig. 2. Southern Asian cluster's societal culture scores.

women-managers rely on family connections or long professional experience, while in the public sector they often need higher educational attainments to break through the “glass ceiling” than their male counterparts (Wright & Tellei, 1993). Interestingly enough, the situation seems to be somewhat different in small urban–rural enterprises where women as traders and artisans often play an important role, contributing up to one-half of family income (Kumar, 1980). In many villages and towns, market trading activities are dominated by women (Dewey, 1962). Price's (1983) study of Javanese textile firms showed in most cases husband–wife teams jointly owned the units, and women as managers generally had a maternal attitude towards employees and considered them of lower status, but part of a family.

As for societal values, the cluster rates high on performance orientation (5.99), future orientation (5.86), group collectivism (5.77), and humane orientation (5.32). It scores very low on power distance (2.78). In comparing the societal practices and values, the managers from this cluster prefer their countries as a whole to be more performance and future oriented, and more assertive. They desire a higher level of structure in their societies, but a lower level of male domination and power differentiation.

It is important to note that while the cluster scores reflect an overall picture, they do mask potential country differ-

ences. Table 2 shows that in terms of societal practices, Malaysia is the most future oriented (4.58) and most rule oriented (4.78) country in the cluster, while Iran is the least rule oriented (3.67), most assertive (4.04) and performance oriented (4.58). In the Iranian business sector, despite strong government and authoritarian family controls, Iranian firms lack rule orientation due to unclear and often changing rules. Most national laws and corporate policies have been formulated through compromises and inputs from multiple interest groups, including religious groups, so that they can be interpreted by opposing groups in their own ways (Frischenschlager, 2000). For instance, while the Iranian constitution says that only Iranian companies can be registered in Iran, shortly after the 1979 revolution, a new interpretation considered the firms owned up to 49% by the foreigners as Iranian.

A survey of 45 top Iranian managers and consultants by business magazine *Eqtesad-e Iran* (translated, *The Iranian Economy*) found “unsustainable policy-making” and “general lack of stability of regulations” were rated as most serious critical obstacles to commerce (Frischenschlager, 2000). In the public sector, managers fear committing themselves to a decision, since there are hardly any rewards for good decisions, but high penalties for a wrong one (Frischenschlager, 2000).

Table 2  
Country means for GLOBE societal culture dimensions

	Iran	India	Thailand	Malaysia	Indonesia	Philippines	Cluster	Contrast with other 55 societies
<b>As Is</b>								
Uncertainty avoidance	3.67	4.15	3.93	4.78	4.17	3.89	4.10	-0.20
Future orientation	3.70	4.19	3.43	4.58	3.86	4.15	3.99	0.08
Power distance	5.43	5.47	5.63	5.17	5.18	5.44	5.39	0.29*
Institutional collectivism	3.88	4.38	4.03	4.61	4.54	4.65	4.35	0.05
Humane orientation	4.23	4.57	4.81	4.87	4.69	5.12	4.72	0.68**
Performance orientation	4.58	4.25	3.93	4.34	4.41	4.47	4.33	0.24*
Group and family collectivism	6.03	5.92	5.70	5.51	5.68	6.36	5.87	0.92**
Gender egalitarianism	2.99	2.90	3.35	3.51	3.26	3.64	3.28	-0.09
Assertiveness	4.04	3.73	3.64	3.87	3.86	4.01	3.86	-0.28**
<b>Should Be</b>								
Uncertainty avoidance	5.36	4.73	5.61	4.88	5.23	5.14	5.16	0.67**
Future orientation	5.84	5.60	6.20	5.89	5.70	5.93	5.86	0.46**
Power distance	2.80	2.64	2.86	2.97	2.69	2.72	2.78	0.04
Institutional collectivism	5.54	4.71	5.10	4.87	5.18	4.78	5.03	0.39*
Humane orientation	5.61	5.28	5.01	5.51	5.16	5.36	5.32	-0.13
Performance orientation	6.08	6.05	5.74	6.04	5.73	6.31	5.99	0.08
Group and family collectivism	5.86	5.32	5.76	5.85	5.67	6.18	5.77	0.16
Gender egalitarianism	3.75	4.51	4.16	3.78	3.89	4.58	4.11	-0.42*
Assertiveness	4.99	4.76	3.48	4.81	4.72	5.14	4.65	0.92**

\* $p < 0.05$ ; \*\* $p < 0.01$ .

In private firms also, family control is common and mid-level managers rarely make decisions without seeking approval of the managing director, who in turn consults with various boards and committees. Strong groupism is reflected in practices of lengthy inquiries about every aspect of personal life and family of all business acquaintances, but this might sometimes be a precursor to demand for special favors (Rosser & Rosser, 1998). Perhaps as a result, Iranians have high aspirations for uncertainty avoidance (5.36), future orientation (5.84) and performance orientation (6.08) and much less desire for power distance (2.80).

Philippines has the highest scores on four societal practices: groupism (6.36), collectivism (4.65), humanism (5.12), and gender egalitarianism (3.64). In fact Filipino scores on these practices are among the highest in the whole GLOBE sample of countries. The islands of Philippines have historically operated as independent, separate states, called *barangays*, each with its own hereditary ruler and own group customs. These barangays were frequently united into institutional confederations (Arcilla, 1998). Modern Filipinos cherish the ancestral trait of *bayanihan*, which means cooperation. In rural Philippines, the neighbors commonly would offer to help when a person is constructing a house. Filipinos love helping not just one another, but also other people. Gratitude is another prized Filipino virtue, expressed in the phrase *Utang na loob* (debt of honor). Filipinos are said to possess the masculine durability of the *narra* tree and the feminine resiliency of the *bamboo*. They are passionately romantic and born poets, musicians, and artists (Zaide &

Zaide, 1999). In addition, Philippines also has the most assertive, feminine, and performance-oriented social aspirations in the cluster. These aspirations may be a consequence of American influence arising from U.S. occupation of Philippines and the high level of education, especially among women in Philippines.

Thailand also stands out with its most future and rule oriented, but least humane and least assertive societal values among the nations of the cluster. The lack of interest in assertiveness can be explained by a preference for avoiding confrontation, as enjoined by Hindu and Buddhist world-views. In Thai language assertiveness and aggressiveness meant the same. Thai motto was "The more you talk the more you lose . . . , better stay quiet and you will earn some penny!" (Pathmanand, 2001).

Thailand also has the highest score on power distance practices, perhaps due to a military-type culture of hierarchical rule orientation, reflecting a long political history of absolute monarchy, first of Ayutthaya between 1350 A.D. and 1767 A.D., and thereafter of modern Chakri dynasty founded by military generals, until the adoption of democratic government in 1939 (Ebsen, 1997).

Iran shows the greatest preferences for collective interests, indicative of a stronger desire for a focus on collective good rather than individual interest. This is particularly important in light of the fact that Iran has the lowest score on collective practices. Iran also has the highest score on humane orientation values (5.37), in continuation of the tradition of hospitality handed down over centuries of living

in a hostile environment, and a view of visitors and guests as a gift of god (*mehmun*) (Kosaka, Reif, & Shahmanesh, 1998). Furthermore, the ancient Zorastrian religion in Iran is known for its emphasis on good words, good thoughts, and good deeds (Nigosian, 1994).

It is also useful to contrast the cultures of southern Asian societies with the cultures of societies in the other nine clusters of GLOBE. We use a multi-category ANOVA, which is more efficient, compared to a simple ANOVA (Howell, 1997). One-way ANOVA contrasts are used to partition the between groups sums of squares in each cultural dimension into a priori contrasts on cluster groupings, which are tested using the *t*-statistic. A coefficient of  $-0.11$  ( $1/9$ ) is entered for the other nine clusters, and of  $0.99$  ( $9 \times 0.11$ ) for the southern Asia cluster. The value of contrast reflects the extent to which a typical society in the cluster scores higher on a society culture dimension compared to a typical society across other clusters. If the value of the contrast is positive, then the score of the typical group in the south Asia cluster is higher, and if it is negative, then its score is lower.

As can be seen from Table 2, southern Asian cluster is contrasted from other clusters in terms of relatively strong practices of groupism (0.92), humane orientation (0.68), stratification (0.29), and performance (0.24), but lower levels of assertiveness ( $-0.28$ ). A group-oriented humane approach is the hallmark of southern Asian societies, and involves a delicate non-assertive balancing of power vs. performance. Thus, hierarchical organization in these societies may be both a way of managing conflict within and across groups and promoting egalitarianism.

In terms of values, southern Asian societies may be contrasted from other societies in GLOBE by higher rule orientation (0.67), planning propensity (0.46), collectivism (0.39), assertiveness (0.92), and male dominance ( $-0.42$ ). On the whole, the preferred social model seeks rather assertive, male dominated and rule-based structure, which would support long-term collective interests.

The modern southern Asian view of women seems to be one of a person with outside accomplishments but with very strong ties to the family. Woodcroft-Lee (1983) reported that the Islamic magazines in Indonesia portray an ideal woman as a wife and mother who has successfully pursued an

academic or professional career after marriage and who has been active in community welfare, religious education or politics, but has also put her children's and husband's needs before her own.

A leading example of the emphasis on a more modern view of the role of women is the Self-Employed Women's Association (SEWA) in India, which was founded in 1972 as a trade union of self-employed women. In contrast to the welfare model of development, SEWA's work is grounded on the premise that women, like men, need incomes to support themselves and their families. Therefore, SEWA works with women to improve and increase the returns from their ongoing enterprises through capital, support for organizing cooperatives, marketing assistance, specialized skills training, and policy representation. Of its nearly 250,000 women members, 40% are home-based workers, who have been empowered to seek better wages and working conditions (Mehra, 1997).

## 10. Outstanding leadership in the cluster

As explained in the introductory ch., the GLOBE program identified 23 leadership styles that were deemed effective in one or more cultures of the world. Using second-order factor analysis, five distinct leadership models were formulated, and the first was split into two (charismatic and team-oriented) for theoretical consistency. The individual scores were aggregated to the society level, and society scores were averaged to the cluster level. Both Fig. 3 and Table 3 show the grand cluster means of these models of outstanding leadership.

As seen in the figure, transformational-charismatic (5.97) and team-oriented (5.86) leadership are the most effective models for outstanding results in southern Asia. In other words, visionary and inspirational leaders who are decisive and performance oriented, and who have high levels of integrity and are willing to make personal sacrifices, are deemed to be effective. Furthermore, leaders who are team builders, collaborative and diplomatic are also highly valued. These attributes are consistent with the cluster's high power distance and family-orientated culture. Leaders are expected to act as patriarchs who help subordinates

Table 3  
Country and cluster means for GLOBE second-order leadership scales

	Iran	India	Thailand	Malaysia	Indonesia	Philippines	Cluster	Contrast
Charismatic	5.81	5.85	5.78	5.89	6.15	6.33	5.97	0.19
Team-oriented	5.90	5.72	5.76	5.80	5.92	6.06	5.86	0.15
Self-protective	4.34	3.77	3.91	3.49	4.12	3.31	3.82	0.41*
Participative	4.97	4.99	5.29	5.12	4.60	5.40	5.06	$-0.27$
Humane	5.75	5.26	5.09	5.24	5.43	5.53	5.38	0.60**
Autonomous	3.85	3.85	4.28	4.03	4.19	3.75	3.99	0.11

\* $p < 0.05$ ; \*\* $p < 0.01$ .

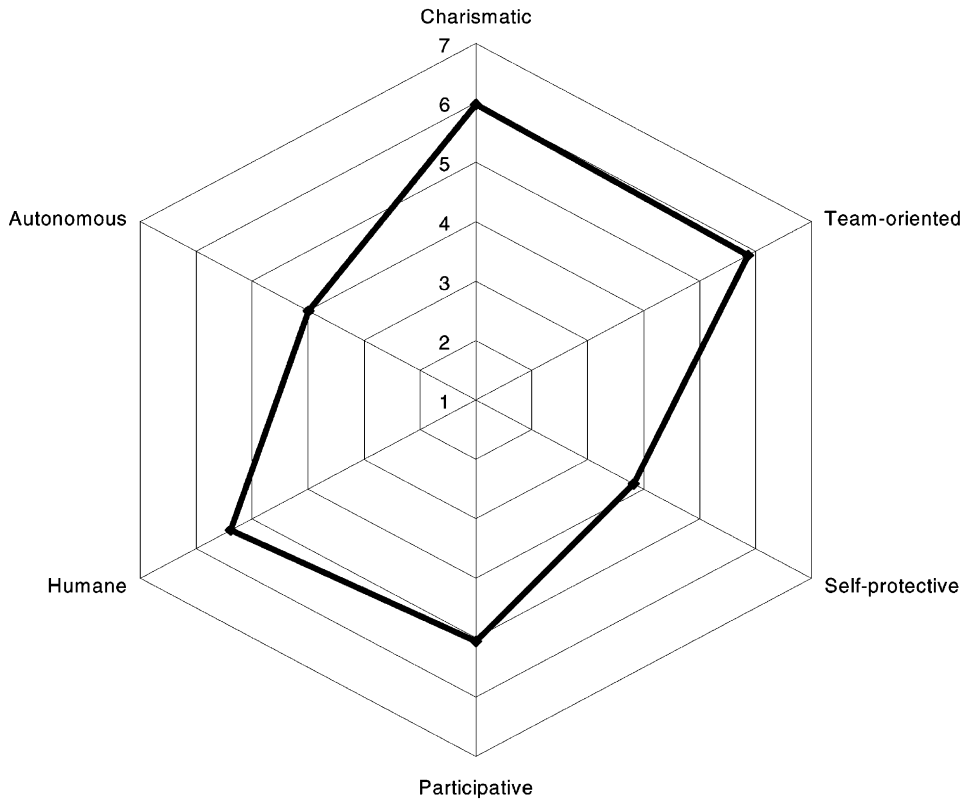


Fig. 3. Southern Asian cluster's leadership profile scores.

aspire towards more ambitious and collective goals. At the same time, they need to make sure their actions and decisions help develop and sustain the team and family orientation in their organizations. They need to be open to negotiations and ideas from many corners and have to be capable diplomats to make sure they do not disenfranchise any group members.

Humane (5.38) and participative (5.06) leaders who are modest and caring and delegate responsibility to others are also deemed as effective in this cluster. The emphasis on humane and participative leadership models is consistent with the societal cultures of humane and group orientation in these societies. While they are in strong positions of authority, leaders are expected to be benevolent and paternalistic and to allow for input from others.

Autonomous leadership has an average score in this cluster (3.99). It appears that despite a culture of harmony and group orientation, the managers in this cluster feel that being autonomous and independent has no positive or negative effect on leadership effectiveness.

The last leadership dimension is self-protectiveness. It received an average score of 3.82 meaning that to whether or not leaders are self-centered, status conscious, face-saver, and procedural has no positive or negative effect on effectiveness.

Table 3 shows that Philippines scores the highest on the effectiveness of charismatic (6.33), team-oriented (6.06), and participative (5.40) leadership, and lowest on the effectiveness of self-protective (3.31) and autonomous (3.75) leadership.

Iran has the highest scores on self-protective (4.34) and humane leadership (5.75). These findings may reflect the turmoil and instability that Iranian organizations have been facing since the revolution in 1979. Massive purges, constant political battles and uncertainty about the future direction of the country may have encouraged Iranian managers to find ways of protecting themselves and to expect care and modesty from their leaders.

Table 3 also shows the contrast of the effectiveness of leadership models in southern Asia, with that in other nine clusters in GLOBE. In international comparisons, managers in the southern Asia cluster find humane (0.60) leadership significantly more facilitative and self-protective leadership (0.41) less of an impediment. The effectiveness of other leadership attributes is comparable with rest of the world. In group-oriented hierarchical cultures, leaders often need to protect themselves against breach of norms through involvement of higher-ups and various stakeholders in the decision-making process. Such an approach also makes it imperative to be more responsive to humane considerations.

## 11. Implications for executives

To summarize the southern Asian cluster, its societal culture is one of highly group oriented, male-dominated, and hierarchical practices. While the participating managers put high value on their societies becoming more futuristic and performance oriented and less male-dominated and hierarchical, they do desire a continuation of strong group collectivism. From a global standpoint also, group-oriented human heartedness is the hallmark of this cluster.

A universal value-based leadership model, founded on charismatic and team-oriented elements, is found to be the most effective for southern Asia. However, in comparison with other GLOBE countries, the model must be adapted to the region's group oriented and hierarchical culture through more humane considerations.

Next, we will examine the implications of our findings for global managers and researchers. We will specifically focus on the following key topics because they are of particular interest to managers and academics involved in cross-cultural issues:

1. Human resource management.
2. Organizational design.
3. Strategic management.

First we will provide an overall perspective on leadership challenges related to the above three issues as a whole, and then we will use that perspective to suggest specific approaches to address them in light of GLOBE findings.

## 12. Overall perspective

As noted earlier, in this region, the joining of political and moral authority to maintain and perpetuate the power of clans and monarchies continued for much longer than in western nations, perhaps aggravated by frequent imperialist intrusions from the west. A hierarchical system headed by a patriarch, ideally a 'philosopher statesman' was the natural organizational model (Weber, 1963). This ideal of a benevolent patriarch who acts on behalf of the clan or family system appears to have shaped the southern Asian managerial mindset.

However, economic liberalization and competition from the rest of the world makes strict adherence to a patriarchal system favoring insiders difficult, particularly in the face of demands for greater opportunities for women and underprivileged classes and pressure to adopt international "best practices" to become competitive.

A dadni model of craft system prevailed in the region from at least medieval times (Ahmad, 1997). Under this system, the raw materials were transformed into marketable products through successive layers of technical functions, such as cotton cleaners, combers, carders, twistors, winders, bleachers, dyers, printers, and painters in the textile operations. The industry was dispersed throughout the landscape,

with regions differentiated by concentration of artisans with special skills (as guided by geographic and resource variables). The artisan specializations were transmitted across generations, through differentiated family groups or occupational classes. A similarly differentiated group of merchants coordinated the pan-regional network, using a system of commercial advances termed dadni that made capital accessible to the artisans (Chaudhuri, 1974).

Management in capitalist economies developed a form of corporate governance that led to a separation of ownership and control to maximize shareholder value and maintain stakeholder interests, a model of perhaps limited value in south Asia, where domestic firms remain largely family-owned. More significantly, the middle managers in this region appear to endorse family-oriented values both in their societies and their organizations. An important feature of family-oriented organizations is hierarchical inequality due to the need to take care of close friends and family.

The challenge for managers creating strategies, designing organizations, and developing human resources systems in this region lies in developing an organizational model that is simultaneously craft based, yet dynamic rather than static. In addition, a more egalitarian approach coupled with systems to guide progress would facilitate individual development and provide wider opportunities for women and those from less privileged sections of society, without degenerating into tokenism or corruption.

In an influential work on the Nuer of the southern Sudan, Evans-Pritchard (1940) characterized the Nuer state as using "ordered anarchy" or the lack of hierarchical government diffusion of power among members of the Nuer society constrained by family-oriented group values. Decisions may be taken individually, each for oneself, and democratically, among the many for themselves, "for it is impossible to live among Nuer and conceive of rulers ruling over them" (Evans-Pritchard, 1940: 81). A status hierarchy maintained through the age-set system determines one's "duties and privileges" in accordance with age and relationship of a senior, equal, or junior to other clan members. Although seniority in terms of age is important, the basis of influence is superior "character and ability" without which the heads of joint households cannot order people of other hamlets to follow them (Evans-Pritchard, 1940: 180). Though Nuer were recognized to have differentiation of status, such differentiation did not result into formation of social classes or groups that had unequal political power. The seniors for instance had power to persuade and influence, but had no authority that they could exercise to force others to follow their orders (McKinnon, 2000).

Such egalitarian model that is based on trust, fairness, and reciprocity is well suited to the humane and family oriented southern Asian culture, and can also help check the abuses associated with hierarchical and male-dominated power structure. It recognizes that the social class and gender are no longer an effective basis for self-fulfillment. Still the craft skills and resources associated with one's social

identity can be a source of real benefits for the broader society, and thus grant credible persuasive influence to the people, independent of the political potential of their craft capital. Such a model is evident in modern times in Japan, where there is absence of strong consciousness of inter-class differences, though there does exist sub-class stratification such as on lines of company, university affiliation, and age (Wiersema & Bird, 1993). Yet these stratifications do not carry any political power with them. Ability, with a sense of obligation to demonstrate fairness, reciprocity and trust, is a prerequisite for all kinds of influence.

### 13. Managerial implications

Given the preference for a family-oriented structure and craft oriented design for organizations to develop employees' skills and capabilities, human resource managers may find it useful to adopt some elements of the German craft-based system (Maurice, Sellier, & Silvestre, 1986) and the Japanese family-oriented system (Dore & Sako, 1998) for the southern Asian societies. While both systems favor mentoring to develop skills, the German apprenticeship model for specializing in technical and occupational skills combines theoretical and experiential training. It promotes skill development in firms while providing occupational mobility to individuals. Although seniority and rank in the hierarchy are linked, the latter is usually accompanied by requisite skills and experience, both in Germany and in Japan. The occupational communities that emerge in such systems are surprisingly egalitarian as noted by Brown and Duguid (1991).

With respect to organizational design, the cohesive Japanese system is noted for rapid overlapping communication, and speedy new product development capabilities driven by close coordination between different functional departments (Clark & Fujimoto, 1991). Instead of a centralized hierarchical structure, a horizontal structure is used to permit faster information transmission for speedy problem solving.

Similarly, the Japanese approach to strategic management which is more group oriented may be useful (Abo, 1994). Japanese strategies focus on creating new opportunities to offer high quality low cost services by integrating available knowledge to make new services accessible to less economically privileged consumers. Moreover, the success of Japanese strategy is often attributed to the ability to transfer and replicate knowledge within the firm and related organizations (Florida & Kenney, 1991).

Crafting the inter-linkages between human resources, organizational design and strategy is salient. Southern Asian managers are likely to quickly adopt an integrative approach. The regional philosophy has long maintained deep interaction among the three core concepts of *knowledge* (learning-oriented strategic management), *action* (performance-oriented organizational design), and *devotion* (loyalty-oriented human resource management). Chakraborty

(1991) notes how a new breed of southern Asian firms, exposed to international education and media, are successfully applying the behavioral models exemplified by social leaders, such as Mahatma Gandhi and Mother Teresa. The resulting orientation for compassion, friendliness, humility, and gratitude helps build a refined perception of human relationships. It also facilitates smoother organizational functioning and improved quality of services. Using such an integrative value-based approach, managers in south Asia could respond to the region's fundamental values exhorting them to seek knowledge for removing evil, to be a light which lights others, to be self-driven, and to nurture entrepreneurial qualities such as alertness and cheer (Athreya, 1991).

In conclusion, a craft-based apprenticeship model of organization with value-based inspirational mentors like Mahatma Gandhi and Mother Teresa is likely to be appropriate for the development of firms as social communities in this region. Further, in southern Asia, where financial resources are rather limited, cultural acumen can help foster human and social capital to improve organizational performance. The analysis presented in this article demonstrates that GLOBE findings can provide helpful insights to this end.

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