

Leadership and Organizational Justice: Similarities and Differences across Cultures

Author(s): Rajnandini Pillai, Terri A. Scandura and Ethlyn A. Williams

Source: *Journal of International Business Studies*, Vol. 30, No. 4 (4th Qtr., 1999), pp. 763-779

Published by: [Palgrave Macmillan Journals](#)

Stable URL: <http://www.jstor.org/stable/155344>

Accessed: 17/04/2013 12:53

---

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at  
<http://www.jstor.org/page/info/about/policies/terms.jsp>

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.



Palgrave Macmillan Journals is collaborating with JSTOR to digitize, preserve and extend access to *Journal of International Business Studies*.

<http://www.jstor.org>

# *Leadership and Organizational Justice: Similarities and Differences across Cultures*

Rajnandini Pillai\*

CALIFORNIA STATE UNIVERSITY SAN MARCOS

Terri A. Scandura\*\*

UNIVERSITY OF MIAMI

Ethlyn A. Williams\*\*\*

UNIVERSITY OF COLORADO AT COLORADO SPRINGS

*International management scholars and practitioners agree that managers cannot simply assume that leadership behaviors effective in one culture can be readily transferred to other cultures. This study examines the relationship of transformational leadership and leader member exchange to organizational justice*

*and job satisfaction in five separate cultures. Results indicate that while there is consistent support for some of the proposed linkages, there are also some interesting differences across cultures. Implications for theory and future research on international business are discussed.*

The role that organizational justice plays in new paradigms of leadership, such as transformational leadership and leader member exchange (LMX), has only recently begun to re-

ceive research attention (e.g., Manogaran, Stauffer & Conlon, 1994; Pillai & Williams 1996; Scandura, 1999). As Meindl (1989) observed, "an image of managers as interested in justice and

---

\* Rajnandini Pillai (State University of New York at Buffalo, 1994) is Director, Center for Service Sector Management, College of Business, California State University, San Marcos. Her research interests are charismatic leadership, justice, and cross-cultural management.

\*\* Terri A. Scandura (University of Cincinnati, 1988) is Professor of Management at the University of Miami. Her current research interests are international leadership and mentoring.

\*\*\* Ethlyn A. Williams (University of Miami, 1999) is an Assistant Professor at the University of Colorado. Her research interests are teams and leadership.

The authors are indebted to the anonymous reviewers for their helpful comments on the manuscript. An earlier version of this manuscript was presented at the Southern Management Association Meetings at Atlanta, 1997 where it was recognized as the Best Paper produced in the Organization Studies track.

the fair treatment of subordinate others in the execution of their roles is one that should be, but often is not represented or taken seriously" (p. 272). Investigations of the relationship between leadership and justice in the U.S. suggest that leadership is linked to organizational justice and individual outcomes. To date, little is known about the link between leadership and justice in cultures other than the U.S. Increased globalization, however, requires managers to find ways to manage multi-cultural work teams effectively.

Examining implications of a model in different cultures presents one of the most compelling reasons for conducting cross-cultural research. The present research integrates and extends U.S. findings on relationships among transformational leadership, LMX, justice, and job satisfaction in Australia, India, Colombia, Jordan and Saudi Arabia. We studied leadership, justice, and job satisfaction in cultures operating in differing economic climates (e.g., developed, newly industrialized, and developing economies). Some cultures in our study share core values with the U.S. (e.g., Australia) and others are quite different (e.g., India, Colombia, and the Middle Eastern nations). There exists limited organizational research that focuses on Colombia and India; however, there is a paucity of organizational research on Jordan and Saudi Arabia (Thomas, Shenkar, & Clarke, 1994). Further, to the best of our knowledge, there has been no research examining the relationship between leadership and organizational justice outside the U.S. Thus, this study widens the geographic scope of international business research.

## THEORY AND BACKGROUND

### *Transformational Leadership and LMX*

Leadership research has witnessed a shift from traditional transactional models to a new genre of theories of transformational and charismatic leadership and LMX. Transformational/charismatic leadership theories offer the promise of extraordinary individual and organizational outcomes. Leaders motivate followers to perform beyond expected levels by activating higher order needs, fostering a climate of trust, and inducing them to transcend their self-interest for the organization's sake. The basic propositions of transformational/charismatic leadership have been validated in the U.S. and other cultures such as New Zealand, India, Japan, and Singapore (Bass, 1997). Numerous investigations point to the robustness of the effects of such leadership on individual and organizational outcomes such as job satisfaction, organizational commitment, and performance (Bass, 1990; Dorfman, 1996).

Leader Member Exchange (LMX) is defined as the quality of the relationship between a superior and a subordinate and has been related to a number of outcomes. Subordinates who have high quality exchanges with the leader enjoy relationships based on mutual contribution, loyalty, trust, and liking. The higher the quality of the exchange, the more relational the interaction between the leader and subordinate; the lower the quality of the exchange, the more transactional or instrumental the interaction between the leader and the subordinate. LMX research has evolved from a focus on differentiation of subordinates in the work unit to how the leader might work with each person in the work group to develop a partnership with each of them

(Graen & Uhl-Bien, 1995). As Scandura (1999) reports, LMX has been positively related to job satisfaction, productivity, and career progress of managers and negatively related to turnover and employee grievances. Studies in the U.S. context have shown that charismatic leadership and LMX, in combination, generate significant predictable variation in outcomes such as innovative behavior (Graen & Uhl-Bien, 1995).

Leadership research in Australia indicates similar beliefs to those of managers from the U.S. and the U.K. (e.g., Clark & McCabe, 1970). Research on charismatic/transformational leadership, however, indicates that charisma (an important component of transformational leadership), has become "synonymous with exploitative business practices and selfish aggrandizement" as a result of "corporate cowboys" in the 1980s "playing around with individual life-savings" and dealing a "crippling blow to the national deficit" (Sarros & Woodman: 1993, p.7). Australian executives are more likely to be poised between transactional and transformational leadership. Leadership in the Arab world is influenced by pervasive tribal traditions. The Prophetic-Caliphal model of leadership developed by Khadra (1990) focuses on the antecedents of two distinct types of leadership. There is a strong disposition toward the "great or prophetic leader" perceived by followers as a worker of miracles. In contrast, the "ordinary or caliphal" leader rules by coercion and fear (Dorfman, 1996). Charismatic/transformational leadership thus appears salient in the Arab world. In India, Periera (1986) found that transformational leaders were more effective than traditional leaders. Sinha (1984) suggests that in India, there is an implicit preference for a dependent, nurturant, personal relationship with the

leader than a contractual relationship. There have been no systematic investigations of charismatic/transformational leadership in Latin America. However, given high power distance between managers and subordinates (Hofstede, 1980) and a tradition of military-style political leadership, it would not be surprising to find that the charismatic leadership model is quite prevalent in South American countries.

With respect to LMX, the quality of the supervisor-subordinate relationship is as critical in Japan as it is in the U.S. Long-term studies predict the career progress of Japanese managers in terms of speed of promotion and salary level (Wakabayashi, Graen, Graen, & Graen, 1988). In India, Bhal and Ansari (1996) found that LMX was related to job satisfaction, commitment and unit effectiveness. In the Islamic world, management practices are influenced by tribal traditions and a manager is expected to act as a father figure, viewing his role in "a highly personalized manner characterized by providing and caring for employees and favoring individuals within the family and tribe over outsiders" (Dorfman, 1996, p. 307). Such a context seems appropriate for the success of LMX. In Latin American cultures, LMX may be manifested in the development of a paternalistic relationship between the leader and the subordinate in which the leader (the patron) cares about career progress of the subordinate whom s/he treats as a ward (Bass, 1990). Development of nurturing relationships between leaders and subordinates may have implications for organizational justice and effectiveness.

### *Organizational Justice*

Organizational justice plays an important role in leadership. Increases in opportunities to express opinions have

been shown to heighten subordinate perceptions of fairness and subordinates' evaluations of supervisors' leadership capabilities, especially when subordinates have low decision control (Tyler, 1986). In the justice literature, a two-part conceptualization is recognized. Procedural justice is concerned with fairness of procedures and distributive justice is concerned with fairness of outcomes. Procedures used in determining pay raises uniquely contribute to trust in the leader (Folger & Konovsky, 1989). Thus, if managers do not pay attention to fairness, leadership cannot occur because followers will reject leader authority (Tyler & Caine, 1981).

Studies have examined justice in international contexts. The voice effect of procedural justice (i.e., an opportunity to present information relevant to a decision), initially found in the U.S. was replicated using subjects from the U.S., West Germany, France, and Great Britain (Lind, Erickson, Friedland & Dickemberger, 1978). Leung and Li (1990) found voice effects of procedural justice to be equally strong in both Hong Kong and America. Takenishi and Takenishi (1990) found that Japanese evaluations of procedural justice were linked to relational attributions about authorities similar to findings by Tyler (1990) in a study of American attitudes about laws (Lind & Earley, 1992). Kim and Mauborgne (1993) found that subsidiary top managers' perceptions that their head offices exercised procedural justice enhanced behavioral compliance with strategic decisions. Leung, Smith, Wang & Sun (1996) found that both procedural and distributive justice predicted job satisfaction in joint ventures in China. In general, however, procedural justice is more strongly related to organizational level outcomes such as commitment, and dis-

tributive justice is more strongly related to individual level outcomes such as job satisfaction (Greenberg, 1995). Leung et al. (1996) advocate the need for questioning the validity of U.S. based justice theories in different cultures.

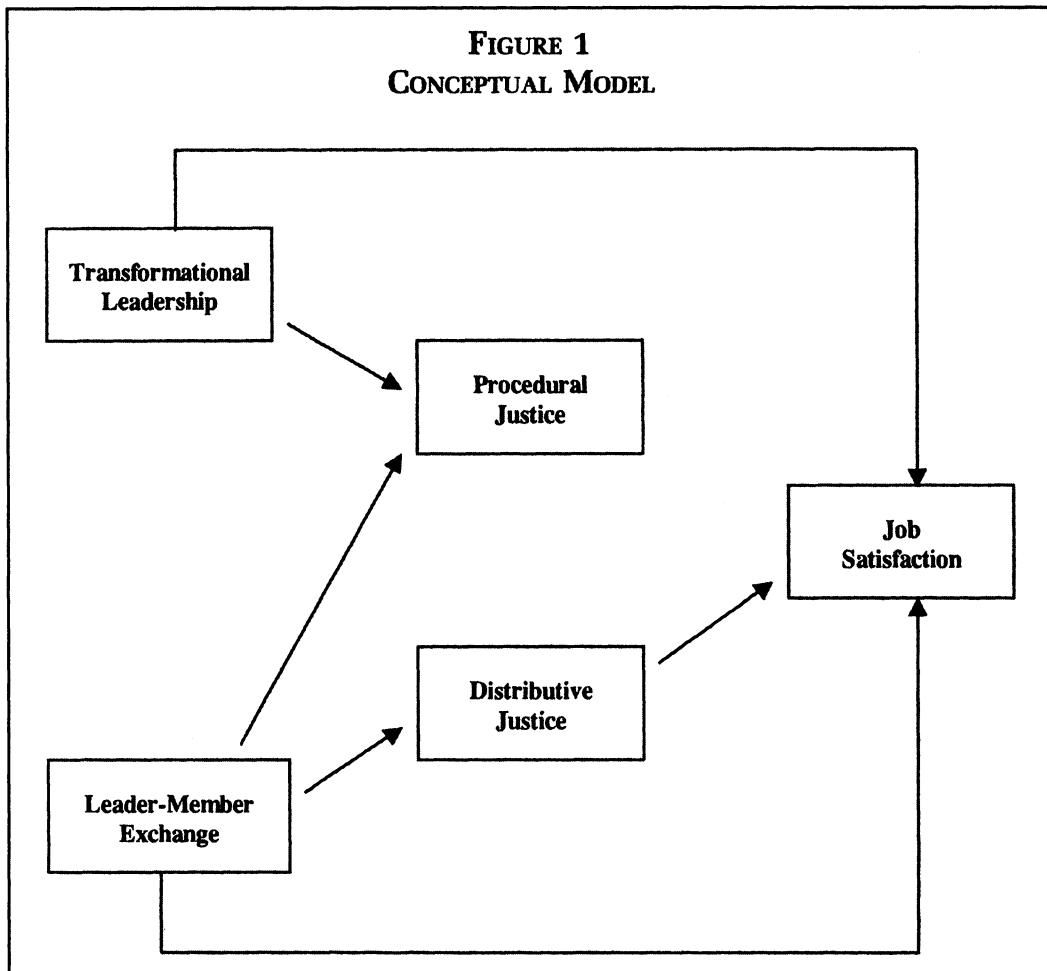
### *Transformational Leadership and Procedural Justice*

In a recent study, Pillai and Williams (1996) found that transformational leadership was related to procedural justice which in turn influenced trust and job satisfaction. The underlying social exchange process that characterizes transformational relationships may be influential in the transformational leadership-procedural justice linkage. Niehoff and Moorman (1996) found that the articulation and modeling of the leader's vision contributes to a culture of justice among employees because it communicates the policies of the organization. Procedural justice also provides group members with process control over decisions and promotes group solidarity over the long term (Greenberg, 1995). This "group-value" model of procedural justice emphasizes group welfare, which is the central concern of transformational leaders. Followers sacrifice self-interest for the interests of the group and this fits well with the values of collectivistic cultures (Bass, 1997). However, Bass (1997) asserts that transformational leaders will be more effective than others regardless of culture. Lind and Early (1992) also argue that group-value concerns of procedural justice may be universal. Thus, although underlying mechanisms may be different, there may be a strong link between transformational leadership and procedural justice across cultures.

### *LMX and Justice*

Issues of procedural and distributive justice are also important to LMX re-

**FIGURE 1**  
**CONCEPTUAL MODEL**



search. LMX provides a useful way to conceptualize the relationship between leadership and employees' perceptions of fairness. Previous research (e.g., Alexander & Ruderman, 1987; Manogran et al., 1994) found that LMX was significantly and positively related to employee perceptions of fairness. Scandura (1999) suggests that procedural justice is a starting point for the development of fair LMX relationships. Consistent with earlier conceptualizations (Bies & Moag, 1986; Lind & Tyler, 1988), she suggests that distributive justice may also be an important outcome of LMX. Distributive justice and relationship quality (LMX) combine to make an individual feel that

the team values his/her contributions. According to Pillai and Williams (1996), the process underlying procedural justice is one of social exchange whereas the one underlying distributive justice is one of economic exchange. Since LMX has elements of both social and economic exchange, we expect that LMX would be related to both procedural and distributive justice.

### *The Theoretical Model*

Our model, which is shown in Figure 1, suggests a direct relationship between transformational leadership and procedural justice. Further, it includes direct relationships between LMX and both

procedural and distributive justice, consistent with previous theory and research (e.g., Manogran et al. 1994). Finally, it includes direct relationships from both transformational leadership and LMX to job satisfaction, and an indirect relationship from LMX through distributive justice to job satisfaction. In general, distributive justice has been found to be more closely related to personal outcomes such as job satisfaction than procedural justice, which is a better predictor of organization outcomes such as commitment (Greenberg, 1995; McFarlin & Sweeney, 1992). In keeping with past research findings, we do not include the procedural justice-job satisfaction link in our model.

We used job satisfaction because it is one of the most widely researched job attitudes in micro-organizational research and past research has indicated that it is an important outcome of leadership and justice (Bass, 1990; Greenberg, 1995). Thus, the role that the supervisor plays in the subordinate's work life and the extent to which pay and benefits are fair are major components of the work situation affecting individual job satisfaction.

Our study assumes that leadership and justice in each culture can be compared because the core concepts may be universal across cultures. We expect that there will be differences across cultures in the relationships among these variables. The purpose of this research is to explore some of those possible similarities and differences.

## METHOD

A survey questionnaire was administered in six countries: U.S.A., Australia, India, Colombia, Saudi Arabia, and Jordan. The Saudi and Jordanian samples were combined to represent a "Middle

East" sample as t-tests revealed that there were no significant differences in demographic variables for the two samples. This is consistent with past research on Middle Eastern samples (e.g., Badawy, 1980). Our approach was to collect the U.S. data and then replicate its characteristics as much as possible in the other cultures. The organizations that the respondents came from were mid-sized and largely in the services sector.

## *Translation and Back-translation*

The questionnaires were administered in English in the U.S., India, and Australia. In the Middle East and Colombia, the questionnaire was translated into the appropriate native language (Spanish for Colombia, and Arabic for Jordan and Saudi Arabia) by nationals of that country who were bi-lingual. Questionnaires were then painstakingly back-translated by other scholars who were also bi-lingual.

## *Samples*

**USA.** One hundred and ninety-two working executive M.B.A. students and 48 chamber of commerce members completed the survey providing a total sample of 240 respondents. Respondents had an average age of 32.4 years and 56.7 percent were male.

**Australia.** One hundred and sixty working professionals completed questionnaires. Respondents had an average age of 37.5 years and 43.8 percent were male.

**India.** The questionnaire was also administered to 80 working executive M.B.A. students in an urban environment in India. Respondents had an average age of 33.9 years and 68.8 percent were male.

**Colombia.** The Spanish version of the questionnaire was administered to 85

professionals employed in organizations in an urban area of Colombia. Respondents had an average age of 34 years and 55 percent were male.

**Middle East.** One hundred and ninety responses to the Arabic version were obtained from professionals in Saudi Arabia and Jordan. Respondents had an average age of 31.7 years, and 70.8 percent were male. Thirty-eight percent were Jordanian and 61.6 percent were Saudi Arabian.

### *Measures*

**Transformational Leadership.** Transformational leadership was measured using form 5X of the Multi-Factor Leadership Questionnaire (MLQ: Avolio, Bass, & Jung, 1996). A five-point Likert response scale was employed, ranging from "strongly disagree" to "strongly agree." The fourteen-item scale, which we used to test our model, was consistent across cultures and had a reliability of 0.78. It included items that captured various elements of transformational leadership including charisma, idealized influence, individualized consideration and inspirational motivation.

**LMX.** LMX was measured using the seven-item measure reported by Scandura and Graen (1984). A four-point response scale was employed, ranging from positive to negative descriptions of the exchange relationship with the supervisor ("extremely effective" to "less than average"). All five samples had reliabilities of 0.81 or above.

**Justice.** Distributive and Procedural justice were measured using 11 items adapted from the organizational justice scale developed by Niehoff and Moorman (1993). Distributive justice was measured using five-items, reflecting fairness in the employee work schedule, level of pay, work load, rewards received

and job responsibilities. A five point Likert scale was used ranging from "strongly disagree" to "strongly agree." Reliabilities were 0.72 or above. Procedural justice was measured using six-items that reflect the presence of formal procedures for making decisions. Reliabilities were 0.76 or above.

**Job satisfaction.** The 20-item short form of the Minnesota Satisfaction Questionnaire was used to measure job satisfaction (Weiss, Dawis, England, & Lofquist, 1967). Respondents describe how they feel about certain aspects of their present job. A five point Likert scale was used ranging from "strongly disagree" to "strongly agree." This scale produced reliabilities of 0.77 or above for all samples except Colombia. For the Colombian sample, two items were dropped which did not appear reliable for this culture: "the chance to do different things from time to time," and "the chance to do things for other people." The reliability for this adjusted eighteen-item scale was 0.80.

### *Analysis*

LISREL path analysis was employed on the covariance matrices of each sample to examine relationships among the variables. For each sample, paths specified in the theoretical model were examined. Path coefficients from transformational leadership and LMX are the gammas and the path coefficients from procedural and distributive justice are the betas. We first tested the theoretical model in all five cultures. Next, the models were tested after excluding non-significant paths.

### **RESULTS**

The means, standard deviations and inter-correlations for the variables used are shown in Table 1. Means and stan-



**TABLE 1**  
**MEANS, STANDARD DEVIATIONS, AND INTERCORRELATIONS OF STUDY VARIABLES**

Measure	Mean	SD	1.	2.	3.	4.	5.
<b>USA (N = 240)</b>							
1. Job Satisfaction	3.70	.69	.87				
2. Distributive Justice	3.62	.79	.46**	.83			
3. Procedural Justice	3.25	.87	.56**	.44**	.88		
4. Transformational Leadership	3.37	.94	.63**	.25**	.62**	.94	
5. LMX	2.99	.71	.69**	.29**	.64**	.75**	.89
<b>AUSTRALIA (N = 160)</b>							
1. Job Satisfaction	3.68	.67	.77				
2. Distributive Justice	3.48	.77	.49*	.85			
3. Procedural Justice	3.33	.83	.60**	.58**	.88		
4. Transformational Leadership	3.42	.97	.52**	.35**	.58**	.89	
5. LMX	2.97	.71	.50**	.38**	.64**	.69**	.90
<b>INDIA (N = 80)</b>							
1. Job Satisfaction	3.54	.52	.85				
2. Distributive Justice	3.44	.74	.52**	.81			
3. Procedural Justice	3.34	.68	.48**	.55**	.76		
4. Transformational Leadership	3.28	.74	.35**	.30**	.54**	.92	
5. LMX	2.87	.57	.58**	.26**	.40**	.59**	.81
<b>COLOMBIA (N = 85)</b>							
1. Job Satisfaction	3.69	.51	.80				
2. Distributive Justice	3.47	.76	.53**	.78			
3. Procedural Justice	3.33	.86	.65**	.47**	.89		
4. Transformational Leadership	3.73	.81	.49**	.47**	.62**	.78	
5. LMX	3.05	.66	.51**	.40**	.57**	.59**	.86
<b>MIDDLE EAST (N = 190)</b>							
1. Job Satisfaction	3.40	.46	.79				
2. Distributive Justice	3.24	.77	.42*	.72			
3. Procedural Justice	3.33	.71	.37**	.47**	.76		
4. Transformational Leadership	3.34	.83	.13**	.05	.25**	.87	
5. LMX	2.74	.67	.43**	.32**	.41**	.24**	.84
* p < .05							
** p < .01							

standard deviations are similar across samples. Because the items in the measures were originally developed in the U.S., we interpret the data cautiously and refrain from making direct comparisons

between the mean scores across cultures because respondents in different cultures may have different frames of reference (Milliman, Nason, Von Glinow, Huo, Lowe, & Kim, 1995). Separate re-

**TABLE 2**  
**FIT STATISTICS FOR LISREL PATH MODEL FOR USA, AUSTRALIA, INDIA, COLOMBIA, AND THE MIDDLE EAST**

Model	$\chi^2$	df	RMSR	GFI	NFI	CFI
USA	38.34	3	.05	.95	.94	.95
Australia	66.64	3	.07	.90	.85	.85
India	21.98	3	.07	.90	.83	.84
Colombia	27.55	3	.06	.90	.84	.85
Middle East	29.41	3	.04	.95	.84	.85

Note: RMSR = Root Mean Square Residual; GFI = Goodness of Fit Index; NFI = Normed Fit Index; CFI = Comparative Fit Index

gression analyses for each culture using background variables (age, gender, and work experience) indicated that there were no main effects for these variables. LISREL path analyses for the hypothesized model resulted in fit statistics that were strongest for the USA sample indicating that the data provided a good fit to the proposed model. Fit indices for Australia, India, Colombia and the Middle East indicate that the data provided a moderate fit to the hypothesized model.

Fit statistics reported are the chi-square, root mean square residual (RMSR), goodness of fit index (GFI), normed fit index (NFI) and comparative fit index (CFI) which are the traditional indices used in research (Medsker, Williams, & Holahan, 1994). The chi-square, RMSR and GFI are all indicators of overall model fit and since chi-square is dependent on sample size, it is recommended that a range of indices be examined. The RMSR represents the average of residuals and should be interpreted in relation to the sizes of the observed covariances (Joreskog & Sorbom, 1989). The GFI is independent of sample size and a relatively robust indication of fit. In each of the models, the GFI exceeded or equaled 0.90 (see Table 2). A rule of

thumb is that this statistic should be equal to or over 0.90, although several researchers (e.g., Gudykunst, Yang, & Nishida, 1987) suggest that 0.80 is more reasonable. The values of RMSR for each of the models were close to 0.05, once again indicating an adequate fit.

For the U.S. and Australia, all relationships specified were significant and the coefficients were comparable in magnitude. For India, Colombia, and the Middle East, the results were somewhat different from the hypothesized model. When the models were tested after excluding the non-significant paths, there was no improvement in the fit indices. The results for the theoretical model in each country are presented in the following paragraphs. All path coefficients reported are unstandardized coefficients. For across-sample comparability, unstandardized coefficients are more reliable (than standardized coefficients) because they represent structural parameters that are likely to remain invariant across samples and reflect an "etic" comparison standard (Singh, 1995). Standardized estimates, on the other hand, adjust each coefficient by its own within-group variability and in doing so, elimi-

nate cross-group differences on account of disparate variances (Singh, 1995).

**USA.** All paths specified were significant and the U.S. data provided a good fit (Table 2) to the hypothesized model (RMSR = 0.05, GFI = 0.95, NFI = 0.94, CFI = 0.95). The path analysis estimates indicated that transformational leadership (.17) and LMX (0.43) were significantly related to job satisfaction. The coefficient of determination for the prediction of job satisfaction was 0.56. This indicates that transformational leadership and LMX explained a significant proportion of the variance in job satisfaction. For procedural justice, transformational leadership (0.23) and LMX (0.49) explained a significant portion of the variance. There was both a direct (0.43) and an indirect effect (0.07), through distributive justice, of LMX on job satisfaction.

**Australia.** All paths specified were significant for the Australian data fitted to the hypothesized model. The fit indices were lower than those obtained for the USA (see Table 2), but the results of the model (RMSR = 0.07, GFI = 0.90, NFI = 0.85, CFI=0.85) indicate that the data fit the theoretical model moderately well (Gudykunst, Yang, & Nishida, 1987; Medsker et al., 1994; Wayne, Shore, & Liden, 1997). The path analysis indicated that transformational leadership (0.16) and LMX (0.19) were significantly related to job satisfaction. The coefficient of determination was 0.37 for the prediction of job satisfaction, indicating that a significant amount of variance is explained by the independent variables. Thus, transformational leadership and LMX explained a significant proportion of the variance in job satisfaction. For procedural justice, transformational leadership (0.23) and LMX (0.53) explained a significant portion of the vari-

ance. There was both a direct (0.19) and an indirect effect (0.12), through distributive justice, of LMX on job satisfaction.

**India.** The paths from transformational leadership to job satisfaction and the one from LMX to procedural justice were not significant. As with the Australian data, the fit indices (RMSR = 0.07, GFI = 0.90, NFI = 0.83, CFI = 0.84) were lower than those obtained for the USA (Table 2) and the data were found to fit the theoretical model moderately well. The path analysis estimates indicated LMX (0.23) was significantly related to job satisfaction while transformational leadership was not. The finding that LMX is related to job satisfaction is consistent with research by Bhal and Ansari (1996). The coefficient of determination for job satisfaction was 0.50 indicating that a significant proportion of variance is explained. For procedural justice transformational leadership (0.48) explained a significant portion of the variance. LMX was not significantly related to procedural justice. Once again, LMX was related to job satisfaction both directly (0.50) and indirectly (0.09) through distributive justice, as hypothesized.

**Colombia.** The path from transformational leadership to job satisfaction was not significant. All other paths were significant as hypothesized. However, the fit indices were somewhat lower than those obtained for the U.S. (Table 2) although the data fit the theoretical model moderately well (RMSR = 0.06, GFI = 0.90, NFI = 0.84, CFI = 0.85). The path estimate indicated that LMX was significantly related to job satisfaction (0.21). The coefficient of determination for job satisfaction was 0.39, indicating that a significant amount of variance is explained by the independent variables. Once again, the prediction of procedural

justice had a significant portion of the variance explained by transformational leadership (0.45) and LMX (0.44). Again, LMX was related to job satisfaction both directly (0.21) and indirectly (0.11) through distributive justice as hypothesized.

**Middle East.** The path from transformational leadership to job satisfaction was not significant as in the Indian and Colombian samples. Other paths were significant as hypothesized. The fit indices were once again lower than those obtained for the U.S. (Table 2) and the data fit the theoretical model moderately well (RMSR = 0.04, GFI = 0.95, NFI = 0.84, CFI = 0.85). The coefficient of determination for job satisfaction was 0.28, which indicates that a moderate amount of variance is explained within the model. The prediction of procedural justice had a significant portion of the variance explained by transformational leadership (0.14). Transformational leadership (0.14) and LMX (0.43) were both significantly related to procedural justice. Again, LMX was related to job satisfaction both directly (0.23) and indirectly (0.07) through distributive justice as hypothesized.

## DISCUSSION

We find relatively strong support for our hypothesis that transformational leadership and LMX influence organizational justice and job satisfaction in the U.S. and Australian samples. Further, with the exception of India, we find support for the relationship of LMX to both procedural justice and distributive justice. In India, LMX was not related to procedural justice. Interestingly, the relationship between transformational leadership and job satisfaction was not significant in the non-Western cultures.

LMX, on the other hand, was related to job satisfaction in all five cultures.

The fact that the model was well supported in both Western cultures (U.S. and Australia) is consistent with previous research. Past research has indicated that the U.S. and Australia are "cultural allies" and that managers operating in these countries share similar values and concerns (Clark & McCabe, 1970; Kanter, 1991). As hypothesized, transformational leadership and LMX impact procedural and distributive justice in different ways. Transformational leadership is only related to procedural justice in the presence of LMX, yet LMX is related to both procedural and distributive justice in the presence of transformational leadership. Pillai and Williams (1996) argued and found that transformational leadership was related to procedural justice because of an underlying social exchange process (which refers to relationships that involve unspecified mutual obligation). Further, they found that Transformational leadership was unrelated to distributive justice with its underlying economic exchange orientation (which refers to obligations that are specified such as monetary rewards for performance). With respect to LMX, it has been suggested that LMX is both relational (which implies a social exchange) and transactional (which implies an economic exchange) (Graen & Uhl-Bien, 1995). Thus, it is not surprising that LMX is related to both procedural and distributive justice. The only exception is India where LMX is not related to procedural justice. Charismatic/transformational leadership plays an important role in the Indian culture as past research (e.g., Periera, 1986) and political tradition (e.g., Mahatma Gandhi, the Nehru-Gandhi dynasty) suggest. Unlike some of the Latin American and European na-

tions, such leadership has always been positively regarded in India. It is possible that this culture's traditional regard for transformational leadership and moderately collectivistic orientation serve to strengthen the transformational leadership-procedural justice relationship (both of which focus on group values) relative to the LMX-procedural justice relationship.

Transformational leadership was not related to job satisfaction in any of the non-Western cultures as the path analyses indicate. The bi-variate correlations for these cultures indicate that with the exception of Colombia, the correlations between transformational leadership and job satisfaction are much lower than those between LMX and job satisfaction. Previous research indicates that charismatic leadership in Mexico had much lower correlations with job satisfaction than in the U.S. (Dorfman & Howell, 1988). Howell, Dorfman, Hibino, Lee and Tate (1994) reported that charisma was not an important predictor of attitudes in Japan. Perhaps the complex, multi-dimensional nature of transformational leadership plays an important role in promoting positive or negative employee attitudes in different cultures. In some cultures, the transformational leader may be seen as exploitative and manipulative and this may erode trust between the leader and his/her subordinates. Future research should further explicate the underlying processes by which transformational leadership impacts individual and organizational outcomes.

LMX was consistently related to job satisfaction not only directly but also through distributive justice. The direct relationship as revealed by the strength of the path coefficients was stronger in the U.S. and in India than in other cultures. The strength of the indirect rela-

tionship through distributive justice was comparable in all cultures. This suggests that a high quality exchange relationship with the superior is as important in other cultures as it is in the U.S. Indeed, LMX may be very effective in developing countries because people in such countries are more being-oriented than action-oriented which means that they focus on experiencing life and savoring the quality of their life experience.

Perhaps the intellectual and emotional demands that transformational leaders make of subordinates may not lead directly to job satisfaction in cultures that are characterized by high power distance. In high power distance cultures (Hofstede, 1980) such as India, Latin America, and the Middle East, subordinates may feel stressed by the leader's attempts to involve them in coming up with creative solutions to problems. Jaeger (1990) suggests that human capabilities in organizations in developing countries are seen as limited, whereas in developed countries, individuals may have unlimited creative potential. When the transformational leader in a developing country tries to tap the creative potential of subordinates without first laying the groundwork for such expectations, he or she may cause dissatisfaction.

Transformational leadership is participative and may be more effective in influencing job attitudes in low power distance countries where it complements the culture. The leader as "coach" rather than "boss" may not readily transfer even to countries that do not put much stock in hierarchy (Schneider & Barsoux, 1997). In areas where hierarchy is revered (e.g., Asia, the Middle East, Latin America), there may be different ways of achieving empowerment, satisfaction, and commitment. Most replications of the transformational leadership model

developed by Bass and his associates in the U.S. have been conducted in relatively low power distance countries unlike the present study which has three samples (India, Colombia, and the Middle East) in the relatively high power distance category (Hofstede, 1980). Sinha (1990) has conducted over forty experimental and field studies on leadership in the Indian context and found that among three models of leadership, participative, nurturant-task, and authoritarian, the nurturant-task leadership model was effective in all contexts. Authoritarian leadership was effective under stressful conditions and participative leadership was effective only when subordinates were well trained and efficient. Thus, transformational leadership may be effective in developing countries under certain contextual conditions that parallel developed countries. Context may be particularly important in determining the effectiveness of leadership models such as charismatic and transformational leadership. This may be particularly true for developing countries because individuals in developing countries are more likely to let context dependence guide their behavior (Jaeger, 1990). Structurally speaking, international businesses may consider structural and procedural differences—such as regional reporting relationships, top-down versus bottom-up planning and budgeting procedures. Participative procedures may actually prove to undermine leader credibility in the high-power distance context of developing countries.

This research, although exploratory, suggests that there may be some universals among leadership behaviors, processes, and outcomes. With increasing intercultural interaction, managers are confronted with the challenge of manag-

ing a diverse cross-cultural workforce with differing implicit theories of management and cultural stereotypes. Being fair may impact job attitudes positively in all cultures. Transformational leadership enhanced perceptions of procedural fairness in all cultures in this study. This may be due to the group value focus of procedural justice, which appeals to collectivistic orientations. Also, the individual self-interest focus of procedural justice may be important to individualistic orientations.

Bass and his associates have developed transformational leadership training models for the cross-cultural context and have demonstrated that managers who undergo such training are able to reduce absenteeism and turnover in their units. Perhaps similar training can be devised for LMX in different cultures. Leaders who display LMX behaviors are probably likely to be able to successfully transplant their style in a variety of cultures. Thus, LMX appears to be more universal in influencing justice perceptions and employee attitudes than transformational leadership, which might be more context-dependent. This has important implications for the selection, training and development of international managers.

### *Limitations and Implications for Future Research*

The study is not without limitations. The data were derived from perceptual measures on a single survey instrument. However, attitudinal and behavioral measures are suitable for this type of assessment because they represent unique individual responses (Dorfman, 1996). The fact that our initial theoretical model was not supported in all cultures strengthens our belief that the results were not entirely attributable to common

method bias. Future research should focus on obtaining independent performance measures and expanding the range of outcomes to include organizational commitment and employee involvement.

There were also some differences in sample sizes among the samples used in the study. Although the samples from the U.S., Australia, and the Middle East are quite respectable, the samples from Colombia and India are relatively small. Furthermore, although some samples comprised working students, they were at the executive level in their respective organizations and were drawn from different service and manufacturing organizations. As a consequence, we felt that the samples were reasonably comparable across cultures. We also conducted t-tests as appropriate in cases where we merged the data (e.g., the working student and chamber of commerce samples in the U.S., the two samples from Jordan and Saudi Arabia, part-time and full-time employees) and found no significant differences among the demographic variables. Finally, although the scales that were developed in the U.S. were translated by native scholars and painstakingly back translated by bi-lingual experts, their inherent western orientation may have influenced the results. For some cultures, scales had to be slightly modified and although this did not affect the results, it is necessary to further explore the psychometric properties of these scales. We believe, however, that these limitations represent a reasonable compromise given the fact that this is an exploratory study of leadership, justice, and job satisfaction, which extends outside the U.S. and includes cultures as diverse as Australia, India, the Middle East, and Colombia. Also, the fact that we used roughly comparable samples

from a variety of organizations in each country helps alleviate concerns about our findings.

Researchers have asked to what extent leadership is "culturally contingent." At one extreme, taking the universalist approach, it can be argued that leadership behaviors should be common throughout the world and the "core functional" leadership processes should be similar across cultures. At the other extreme, specific leadership behaviors are associated with specific cultures and the impact of specific leadership functions differs across cultures (Dorfman, 1996). We tested whether there were universal leadership patterns across cultures and found that there were strong similarities (within Western cultures) and some differences (between the Western and non-western cultures). We also found that although transformational leadership and LMX share some common features in that they are both relational in nature and therefore correlated, they operate through different processes. Future research should incorporate strategic contingency variables such as economic, technological, and political forces that act upon organizations and leaders in different cultures.

This research suggests that there are more commonalities than differences in the leadership processes of different cultures. Leadership has been found in all cultures throughout history. General Schwarzkoff, for instance, observed, that he did not see any differences in the characteristics required for successful leadership of Macedonia by Alexander the Great and successful leadership of IBM by Lou Gerstner (Bass, 1997). There are cultural differences, however, in the way that leadership and organizational justice are manifested not only across cultures but also within cultures. There is a gap between the cultural values of

developing countries and the values underlying most U.S. based management techniques (Jaeger, 1990). Some approaches (e.g., participation) may not work in these cultures and it is important for international management researchers not only to study which Western approaches are effective in developing countries, but also to uncover indigenous management approaches and practices. Despite extensive globalization in recent years, there is a lack of research that assesses the impact of leadership across cultures (Dorfman, 1996). The same is true for organizational justice "whether researchers are motivated by the desire to understand the universality of their phenomena or the operation of the global economy" (Greenberg, 1995, p. 406). This research suggests that leadership and justice play an important role in determining job satisfaction although the processes are different in different cultures. We hope that the present study lays the groundwork for further exploration of these important issues for the benefit of international managers.

#### REFERENCES

- Alexander, S., & Ruderman, M. 1987. The role of procedural and distributive justice in organizational behavior. *Social Justice Research*, 1, 177-198.
- Avolio, B., Bass, Bernard., & Jung, Dong 1996. *Construct validation of the multifactor leadership questionnaire MLQ-form 5X*. Center for Leadership Studies Report #96-1.
- Badawy, M.K. 1980. Styles of Mideastern managers. *California Management Review*, XXII, 51-58.
- Bass, Bernard. 1990. *Bass and Stodgill's handbook of leadership*. New York, NY: Free Press.
- Bass, Bernard. 1997. Does the transactional-transformational leadership paradigm transcend organizational and national boundaries? *American Psychologist*, 2, 130-139.
- Bhal, K.T. & Ansari, M.A. 1996. Measuring quality of interaction between leaders and members. *Journal of Applied Social Psychology*, 26, 945-972.
- Bies, Robert., & Moag, J. 1986. Interactional justice: Communication criteria effectiveness. In R. J. Lewicki, B.H. Sheppard, & B. H. Bazerman (Eds.), *Negotiation in organizations*, 1, 43-55, Greenwich, CT: JAI Press.
- Clark, A., & McCabe, S. 1970. Leadership beliefs of Australian managers. *Journal of Applied Psychology*, 54, 1-6.
- Dorfman, Peter. 1996. International and cross-cultural leadership research. In B.J. Punnett and O. Shenkar (Eds.), *Handbook for international management research*, pp 267-349. Cambridge, MA: Blackwell Publishers.
- Dorfman, Peter., & Howell, Jon. 1988. Dimensions of national culture and effective leadership patterns: Hofstede revisited. In R. N. Farmer & E. G. McGoun, (Eds.), *Advances in international comparative management*, 3 (pp.127-150). New York: JAI.
- Folger, Robert, & Konovsky, Mary. 1989. Effects of procedural and distributive justice on reactions to pay raise decisions. *Academy of Management Journal*, 32, 115-130.
- Graen, George, & Uhl-Bien, Mary. 1995. Development of leader-member exchange (LMX) theory of leadership over 25 years: Applying a multi-level-multi-domain perspective. *Leadership Quarterly*, 6, 219-247.
- Greenberg, Jerald 1995. *The quest for justice on the job: Essays and experiments*. Thousand Oaks, CA: Sage.
- Gudykunst, W., Yang, S., Nishida, T. 1987. Cultural differences in self-con-



- sciousness and self-monitoring. *Communication Research*, 14, 7-34.
- Hofstede, Geert 1980. *Culture's consequences*. Beverly Hills, California: Sage.
- Howell, Jon, Peter Dorfman, Hibino, S., Lee, J., & Tate, U. (1994). *Leadership in Western and Asian countries: Commonalities and differences in effective leadership processes and substitutes across cultures*. Center for Business Research. New Mexico State University.
- Jaeger, A.M. 1990. The applicability of western management techniques in developing countries: A cultural perspective. In A.M. Jaeger and Kanungo (Eds.), *Management in developing countries*, (pp. 131-145). New York, NY: Routledge.
- Joreskog, K., & Sorbom, D. 1989. *LISREL 7: User's reference guide*. Mooresville IN: Scientific Software International, Inc.
- Kanter, Rosabeth. 1991. Transcending business boundaries: 12,000 world managers view change. *Harvard Business Review*, May-June, 151-14.
- Khadra, B. 1990. The prophetic-caliph model of leadership: An empirical study. *International Studies of Management and Organization*, 20, 37-51.
- Kim, W. C., & Mauborgne, R. A. 1993. Procedural justice, attitudes, and subsidiary top management compliance with multinationals' corporate strategic decisions. *Academy of Management Journal*, 36, 502-526.
- Leung, Kwok, & Li, W. 1990. Psychological mechanisms of process control effects. *Journal of Applied Psychology*, 75, 613-620.
- Leung, Kwok, Peter B. Smith, Zhongming Wang, & Haifa Sun. 1996. Job satisfaction in joint venture hotels in China: An organizational justice analysis. *Journal of International Business Studies*, 27, 947-962.
- Lind, Allan E. & P. Christopher Earley. 1992. Procedural justice and culture. *International Journal of Psychology*, 37, 227-242.
- Lind, E. Allan, Erickson, B., Friedland, N., & Dickenberger, M. 1978. Reactions to procedural models for adjudicative conflict resolution: A cross-national study. *Journal of Conflict Resolution*, 22, 318-341.
- Lind, E. Allan & Tom Tyler. 1988. *The social psychology of procedural justice*. New York: Plenum Press.
- Manogran, P., Stauffer, J., & Conlon, E. 1994. *Leader-member exchange as a key mediating variable between employees', perceptions of fairness and organizational citizenship behavior*. National Academy of Management proceedings, Dallas TX.
- McFarlin, Dean & Paul Sweeney. 1992. Distributive and procedural justice as predictors of satisfaction with personal and organizational outcomes. *Academy of Management Journal*, 35, 626-637.
- Medsker, Gina, Williams, Larry, & Holahan, P. 1994. A review of current practices for evaluating causal models in organizational behavior and human resources management research. *Journal of Management*, 2, 439-464.
- Meindl, James R. 1989. Managing to be fair: An exploration of values, motives, and leadership. *Administrative Science Quarterly*, 34, 252-276.
- Milliman, John, Stephen Nason, Mary Ann Von Glinow, Paul Huo, Kevin Lowe & Nam Kim. 1995. In search of "best" strategic pay practices: An exploratory study of Japan, Korea, Taiwan, and the United States. *Advances in International Comparative Management*, Volume 10, 227-252. Greenwich, CT: JAI Press
- Niehoff, Brian P. & Robert H. Moorman. 1993. Justice as a mediator of the rela-

- tionship between methods of monitoring and organizational citizenship behavior. *Academy of Management Journal*, 36, 527-556.
- Niehoff, Brian P. & Robert H. Moorman. 1996. Exploring the relationships between top management behaviors and employee perceptions of fairness. *International Journal of Public Administration*, 19, 941-961.
- Pereira, D. 1986. *Transactional and transformational leadership scores of executives in a large Indian engineering firm*. Paper presented at the meeting of the International Congress or Applied Psychology, Jerusalem.
- Pillai, Rajnandini, & Eric S. Williams. 1996. *Performance beyond expectations? A study of transformational leadership, fairness perceptions, job satisfaction, commitment, trust, and organizational citizenship behavior*. Paper presented at the meeting of the National Academy of Management, Cincinnati, OH.
- Sarros, J., & Woodman, D. 1993. Leadership in Australia and its organizational outcomes. *Leadership and Organization Development Journal*, 14, 3-9.
- Scandura, T. A. 1999. Rethinking leader-member exchange: An organizational justice perspective. *Leadership Quarterly*, 10, 25-40.
- Scandura, T. A., & Graen, G. 1984. Moderating effects of initial leader-member exchange status on the effects of a leadership intervention. *Journal of Applied Psychology*, 71, 579-584.
- Schneider, S. C., & Barsoux, J. 1997. The "international" manager. *Managing across cultures* (pp.157-180). Prentice Hall Europe.
- Sinha, Jai P. 1984. A model of effective leadership styles in India. *International Journal of Management and Organization*, 14, 86-98.
- Sinha, Jai P. 1990. A model of effective leadership styles in India. In A.M. Jaeger and Kanungo (Eds.), *Management in developing countries*, (pp. 252-263). New York, NY: Routledge.
- Singh, Jagdip. 1995. Measurement issues in cross-national research. *Journal of International Business Studies*, 26, 597-619.
- Takenishi, M., & Takenishi, A. 1990. *Why Japanese citizens evaluate tax as unfair? Fairness criteria and their relative importance*. An unpublished manuscript, Kochi University.
- Thomas, A.S., Shenkar, O., & Clarke, L. 1994. The globalization of our mental maps: Evaluating the geographic scope of JIBS coverage. *Journal of International Business Studies*, 25, 667-678.
- Tyler, T., & Caine, A. 1981. The role of distributive and procedural fairness in the endorsement of formal leaders. *Journal of Personality and Social Psychology*, 41, 643-655.
- Tyler, T. 1986. The psychology of leadership evaluation. In H. W. Bierhoff, R. L. Cohen & J. Greenberg (eds.), *Justice in social relations*. NY: Plenum.
- Tyler, T. 1990. *Why people obey the law.: Procedural justice, legitimacy, and compliance*. New Haven, CT: Yale.
- Wayne, S., Shore, L., & Liden, R. 1997. Perceived organizational support and leader-member exchange. *Academy of Management Journal*, 40, 82-111.
- Wakabayashi, M., Graen, G.B., Graen, M.R., & Graen, M.G. 1988. Japanese management progress: Mobility into middle management. *Journal of Applied Psychology*, 73, 217-227.
- Weiss, D., Dawis, R., England, G., & Lofquist, L. 1967. *Manual for the Minnesota Satisfaction Questionnaire*. Industrial Relations Center, University of Minnesota.