

ASK THE SMU PROF

A MATTER OF STYLE

Q: Is there really a difference between Asian and Western leadership styles?

A: Let us start with a rather simple (and arguably somewhat stereotypical) dichotomy of “traditional Asian” versus “modern Western” business management patterns to identify some of the potential differences between the two groups. Features of “traditional Asian” SMEs include family ownership; autocratic leadership; centralised decision-making with minimum participation; little sharing of information and knowledge (which are often considered trade secrets) beyond the inner family circle; intuitive planning as well as an underdeveloped training and development function due to job-hopping concerns (which reflects the absence of a strategic human resource management, or HRM, system).

“Modern Western” firms, in contrast, feature various ownership forms with professional directors; a more participatory leadership style; strategic planning; decentralisation; participation and delegation as well as greater information and knowledge transfer together with a more developed training & development function embedded in more or less proper strategic HRM structures due to the importance of talent and staff development in general.

It would be misleading to compare both approaches and to argue that one or the other approach is more successful or effective. In fact, both systems could sometimes also be found in one firm regardless of whether it is located in Singapore or Stuttgart.

Without labelling them as being Asian or Western, bosses of Singapore SMEs can consider the following types of leadership styles which empirical research has found to be used by many small business leaders in the East and the West. They are:

- **Directive** – entails strong, sometimes coercive behaviour;
- **Visionary** – focus on long-term goal clarity and communication;
- **Affiliative** – emphasis on harmony and relationships;
- **Participative** – collaborative and democratic;
- **Pace-setting** – sometimes characterised by personal heroics;
- **Coaching** – focus on long-term development and mentoring.

While there is no one best leadership style in all situations, employees are arguably more satisfied with a leader who demonstrates care and concern to subordinates and who is able to establish positive relations with them.

In studies on Asian leadership, the team-oriented style which emphasises pride, loyalty, collaboration and team cohesiveness turned out to be the most preferred leadership style in the so-called “Confucian cluster” economies comprising Singapore, Hong Kong, Taiwan, China, South Korea and Japan.

In a leadership survey of Singapore SMEs conducted by SMU, we found that a very large number

of respondents (70.3 per cent) used collaborative-consultative leadership modes – contrary to our initial proposition that directive-coercive modes of change leadership styles would (still) prevail among most Singaporean SME owner-managers. From these results, we can observe that there is perhaps a convergence of Asian and Western leadership styles. Singapore’s present generation of SME owner-managers (many of whom are tertiary educated) are more consensus-seeking than the previous generation. Also, they may have realised that being collaborative-consultative may be the better approach to take if they wish to effect change. It also seems that Singapore SME owner-managers as well as their staff are also strong on the coaching style, and they tend to operate in an environment which puts a premium on skills upgrading, staff engagement and lifelong learning.

External change affecting the Asian region in general and SME leaders in particular is taking place at an astonishing pace. Demographic shifts, globalisation, infocomm technology and educational advancements continue to change how SME owner-managers operate and lead.

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