

# Implementing Situational Leadership to Improve Team Performance in Multicultural Organizations

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## ABSTRACT

Situational leadership is an approach that emphasizes the leader's ability to adapt to the needs of different individuals and situations within the team. In multicultural organizations, this approach is particularly relevant as it allows leaders to adjust leadership styles according to the cultural characteristics of team members. This study examines how situational leadership can be implemented in organizations consisting of individuals with diverse cultural backgrounds and how it can improve team performance. The implementation of situational leadership has the potential to create a more inclusive, harmonious and collaborative work environment, which in turn can encourage employee engagement and productivity. By understanding and effectively managing cultural differences, leaders can reduce conflict, strengthen relationships between team members and improve overall team performance. These findings suggest that leaders who can adapt their leadership style will be able to build stronger teams and achieve organizational aims more effectively. It is important for organizations to engage in leadership training and development that promotes cultural diversity, and supports leaders in adjusting the approach to the needs of multicultural teams.

## INTRODUCTION

In an increasingly global and diverse work environment, multicultural organizations face challenges in managing cultural diversity within teams. Differences in cultural backgrounds, values, language, and ways of communicating can create significant challenges in leading and motivating team members (Minkov & Hofstede, 2011). This diversity also brings the potential for greater innovation and creativity, if managed appropriately. This management requires a deep understanding of the role of cultural identity as the foundation of social cohesion, as studied by Oluwatosin and Rojak (2023), in order to formulate effective integration strategies at the team level. Therefore, developing effective leadership is key to turning these challenges into organizational strengths, as revealed by Corte-Real et al. (2021) in the context of strengthening social organizational capacity. Situational leadership, which emphasizes the importance of flexibility in leadership style based on context, can be an effective approach in dealing with such challenges (Hersey &

Blanchard, 1988). Leaders who master this concept are able to adjust their leadership style to maximize team performance, with an attention to the cultural differences of the team members.

In multicultural organizations, cultural diversity has a complex impact on communication, team dynamics, and decision-making. Leaders who are able to recognize and manage these differences by using situational leadership styles can reduce conflict and improve synergy among team members (Northouse, 2018). This ability is highly dependent on the application of appropriate communication strategies in managing conflict, as described by Marsal & Darmawan (2022) in the context of multicultural teams. For example, in situations engaging team members with very different cultural backgrounds, a flexible leader may choose a more supportive or more directive approach according to the needs of those team members. Leaders who are skilled at this can leverage differences to create a more inclusive and harmonious work environment (Bassett, 2020).

Not all leaders are able to implement this

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approach effectively. While the concept of situational leadership has been widely discussed in management literature, its implementation in highly culturally diverse teams requires specialized skills that not all leaders possess (Ahtola, 2017). Some leaders may struggle to adjusting their leadership style to the needs of different individuals in multicultural teams, which can result in low team performance and hindered communication (Gertsen, 1990). It is important to dig deeper into how situational leadership can be implemented in multicultural organizations to improve overall team effectiveness.

In multicultural organizations, the main challenge in situational leadership is that leaders often have difficulty in understanding the cultural differences that exist and adjusting their leadership style effectively (Abadir et al., 2019). Each culture has different values, norms, and communication styles, which if not well understanding by the leader, can lead to tension and conflict within the team (Hofstede, 2001). This understanding needs to be deepened to touch upon the layers of religious norms and ethics that often form the foundation of these values, as studied by Mujito et al. (2022) in the context of multicultural social balance. This leadership adaptability is crucial because leadership has a key influence in shaping a responsive organizational culture, as demonstrated by Al Hakim et al. (2022) in the face of continuous change. Leaders who cannot adjusting their approach well may not be able to maximize the potential of existing diversity, which in turn may decrease team performance.

While situational leadership styles require leaders to be flexible, not all leaders have sufficient interpersonal skills to recognize and handle the complex dynamics that arise in multicultural teams. This inability to manage cultural differences can lead to misunderstandings, lowered moral, and lack of team cohesion (Ely & Thomas, 2001). Differences in the values underlying decision-making can also exacerbate difficulties in implementing effective leadership approaches, ultimately impacting overall organizational effectiveness.

Another problem that is often faced is the lack of training and readiness of leaders to face the challenges of leadership in a multicultural environment (Pauliene et al., 2019). While many organizations recognize the importance of diversity, not many have provided adequate training to leaders to manage culturally diverse teams (Kramer & Tyler, 1996). This lack of multicultural competence not only affects team effectiveness, but can also complicate conflict dynamics. As Saputra et al. (2022) point out in the of dispute resolution, culture greatly influences

perceptions of fairness and acceptance of outcomes, so leaders who do not understand cultural nuances risk causing or exacerbating disputes that are difficult to resolve fairly. Without sufficient understanding of multicultural dynamics, leaders can get stuck in a leadership style that does not suit the needs of individual team members, which will ultimately reduce the overall effectiveness of the team.

In an increasingly globalized world, cultural diversity in the workplace is becoming a very important issue. Multicultural organizations have great potential to create new and innovative ideas, but this potential can only be achieved if leaders are able to manage cultural differences wisely. Examining and understanding how situational leadership can be implemented to manage culturally diverse teams is crucial. Effective leadership can be the key to improving team performance and achieving overall organizational aims.

Managing multicultural teams requires leaders who not only understand leadership theory, but can also adjusting their leadership style to the needs of different individuals in the team. These skills not only affect team performance, but can also determine whether the organization is able to compete in an increasingly dynamic global market. An understanding of how situational leadership can be implemented in multicultural organizations is needed to ensure the future success of the organization.

The main aim of this research is to analyze how leaders can adapt their situational leadership styles to manage culturally diverse teams and improve team performance in multicultural organizations. The research aims to dig into the challenges faced by leaders in dealing with cultural diversity, as well as to provide insights into the implementation of flexible and effective leadership strategies.

## RESEARCH METHOD

The literature study approach was used to examine the existing understanding of the implementation of situational leadership in multicultural organizations. Through this approach, the authors identified, reviewed, and analyzed relevant academic articles, books, and journals that have been published previously on the concept of situational leadership, cultural diversity in organizations, and the dynamics of managing multicultural teams (Manning & Curtis, 2012). The analysis of this literature study aims to provide a comprehensive picture of how leaders can adapt situational leadership styles in managing teams consisting of individuals with different cultural backgrounds, and its impact on team

performance in multicultural organizations.

Through this approach, various sources that include leadership theories, situational leadership models, as well as literature that addresses cultural diversity in organizations will be critically analyzed. It aims to explore the various approaches used by leaders in managing diverse teams and how situational leadership plays a role in improving communication and cooperation in multicultural teams (Hofstede et al., 2010). The research also identifies factors that influence the success or failure of situational leadership implementation in multicultural teams, such as cultural differences that may affect decision-making and interactions between team members.

The literature study method also allows the author to explore the relationship between theory and practice in multicultural organizations. Based on the results of the analysis of existing literature, it can be concluded that leaders' success in managing multicultural teams depends largely on their understanding of the cultural values present in the team as well as the ability to adjusting their leadership style according to the specific needs of team members. By analyzing a variety of relevant sources, this approach provides insights into best practices in implementing situational leadership in culturally diverse organizations (Minkov & Hofstede, 2011).

## **RESULT AND DISCUSSION**

Situational leadership has proven to be an effective approach in various types of organizations, especially in more complex settings such as multicultural organizations. When a team consists of individuals with different cultural backgrounds, leaders must have the specialized skills to adjusting their leadership style to fit the characteristics of each member. The concept of situational leadership, first developed by Hersey and Blanchard, emphasizes the importance of leaders being able to adapt to various situations and individual needs (Ji et al., 2022). In multicultural organizations, this challenge is even greater, as differences in employee values, communication, and expectations can affect the way teams work together.

When leaders are faced with multicultural teams, they must be able to recognize these differences and design strategies that support effective collaboration. Successful leaders not only manage differences, but are also able to utilize diversity as a source of strength. However, to achieve this, leaders must also understand and anticipate fundamental challenges such as racial discrimination, which can undermine the foundations of a team, as examined by Pakpahan

et al. (2022) in their review of its impact on psychological well-being and social engagement. Adjusting leadership styles based on cultural differences allows team members to feel more accepted and valued, which in turn improves their engagement and performance (Johansen, 1990). It is important for leaders to have an understanding of how culture affects team dynamics and how they can steer the team towards a common aim.

The implementation of situational leadership in multicultural organizations not only impacts team effectiveness, but also plays an important role in creating an inclusive work environment. In culturally diverse organizations, leaders who can adjusting their leadership styles are able to strengthen relationships between team members, reduce conflict, and improve mutual trust. This process is vital to achieving organizational aims, as harmonious and productive teams lead to better and sustainable performance (Farmer, 2005).

In multicultural organizations, the implementation of situational leadership can be key to improving the performance of teams composed of individuals with different cultural backgrounds. Situational leadership, first developed by Hersey and Blanchard (1969), emphasizes the importance of leader adaptation to the needs and maturity of different team members. In multicultural teams, this adaptation is particularly important, given the different values, communication styles, and work preferences held by individuals from different cultures (Rosita, 2019). Successful leaders are able to adjusting their leadership style-whether it is directive, participative, or delegative-according to the characteristics and needs of employees, to achieve optimal performance.

Leaders who implementing situational leadership style in multicultural organizations must have an understanding of the cultural diversity that exists in the team (Ji, Yu, & Zhang, 2022). In diverse teams, communication becomes a main challenge, as cultural differences often create misinterpretations and misunderstandings (Hofstede, 2011). Leaders need to be adept at reading situations accurately, as well as the ability to adjusting their leadership approach to take into account each member's cultural background. For example, in a culture that values hierarchy, a more directive leadership style may be more effective, while in a more egalitarian culture, a participative style may motivate employees better (Minkov & Hofstede, 2011).

At the operational level, the implementation of situational leadership can be seen through how leaders manage culturally diversified team dynamics.

Good leaders will recognize that each individual brings mindsets, values, and work styles that are influenced by their culture (Farmer, 2005). Thus, they will choose the most appropriate approach to maximize the potential of individuals in the team (Northouse, 2018). For example, in the face of different communication styles, leaders should be able to choose whether it is better to use direct or more subtle communication, depending on the prevailing cultural norms. By accommodating these differences, leaders can avoid conflicts that could damage working relationships and team performance.

Furthermore, situational leadership also engages adjusting to the level of readiness of team members to take responsibility or adapt to change. In multicultural teams, team members may have varying levels of readiness based on their previous experiences in similar work environments (Ahtola, 2017). Leaders should measure each individual's readiness and provide guidance accordingly. If team members are highly skilled but lack experience in a different culture, leaders can give more freedom in decision-making. In contrast, less experienced or less confident team members may need more direction (Hersey & Blanchard, 1988).

One of the keys to success in the implementation of situational leadership in multicultural organizations is the ability to create an inclusive environment. Leaders must ensure that every individual feels valued and accepted regardless of their cultural differences. This can be achieved by providing equal opportunities to all team members to express their ideas and opinions. In a multicultural setting, effective leaders not only manage differences but also encourage productive collaboration between individuals with various backgrounds. This inclusiveness improves team members' sense of community and loyalty to the organization, which in turn can improve overall team performance (Shen, Chanda, D'Netto, & Monga, 2009).

Leaders should also be able to recognize and address any stereotypes or cultural biases that may exist within the team. Cultural biases, both conscious and unconscious, can affect the way team members interact with each other and with their leaders. Effective situational leadership engages recognizing these biases and taking steps to reduce their negative influence. For example, leaders should be careful not to treat team members from certain cultures in a stereotypical way, as this can cause tension and lowering moral team members (Ely & Thomas, 2001).

When managing a multicultural team, leaders need to pay attention to differences in motivational styles across cultures. A motivational style that is

effective in one culture may not be effective in another. For example, in a more collectivist culture, recognition of team success and collective contributions may be valued more than individual recognition. Conversely, in an individualistic culture, recognition of individual achievements may be valued more. The ability to understand and respond to these different needs is also a hallmark of servant leadership, which places the needs and development of team members as a top priority, as examined by Irfan and Al Hakim (2022) in the context of improving team effectiveness. Situational leaders must be able to recognize what motivates their team members and adjust their motivational strategies according to their culture (Triandis, 2001), an approach that is in line with the principles of responsiveness and service in such leadership.

Besides motivating, effective situational leaders also need to build and maintain trust within the team. In highly hierarchical cultures, trust can be built through authority and certainty, whereas in more egalitarian cultures, trust is built more through open communication and collaboration. Leaders must adapt to different cultural values and ensure that they build trust through approaches that are most effective within the existing cultural sphere (House et al., 2004).

The development of cross-cultural communication skills is particularly important in situational leadership in multicultural teams. Effective leaders must be able to convey messages clearly and ensure that information is received in a way that team members from different cultures understand. This can engage the use of various communication tools, such as training to improve active listening and clear speaking skills, as well as ensuring that their communication style can be understood by team members from various cultural backgrounds (Gudykunst, 2004).

Leaders who apply situational leadership in multicultural organizations must also be prepared to adapt to constant change. Multicultural work environments often present rapid changes, whether in terms of technology, organizational structure, or working methods. This need for adaptation is in line with the findings of Mardikaningsih and Darmawan (2022), who specifically examined how situational leadership strategies can be used to improve change management and team performance. Leaders who are able to adjust their style to these changes in terms of motivation, communication, and decision making will be more effective in facing these challenges and encouraging their teams to remain productive (Northouse, 2018).



By considering these aspects, situational leaders in multicultural organizations can play an important role in improving the performance of diverse teams. By adopting a leadership style that is flexible and responsive to cultural differences, leaders can create an inclusive and collaborative environment, where all team members feel valued and motivated to give their best. This will contribute to improved overall team performance, which in turn can improve the performance of the organization more broadly.

Overall, the implementation of situational leadership in multicultural organizations has great potential to improve the performance of diverse teams. Effective leaders must be able to adapt to the situation at hand, adjusting their leadership style to the needs of diverse cultures, and creating an inclusive and collaborative work atmosphere. By adjusting their approach to each team member, leaders can optimize the team's potential and encourage higher productivity. Leaders who are able to recognize differences and respond to them wisely will ensure that each individual feels valued, which in turn encourages their engagement and loyalty to the organization.

A main challenge in implementing situational leadership in multicultural teams is the ability to adapt dynamically to the developing needs of individuals. Each team member brings different experiences, perspectives and values, which require special attention from a leader. It is important for the leader to have excellent communication skills as well as an understanding of the culture, in order to create effective relationships and support diversity within the team. Successful leaders not only manage change but also contribute to creating a balanced, harmonious and productive work environment.

Finally, the implementation of situational leadership in multicultural organizations can be a

decisive factor in the long-term success of the organization. By leveraging diversity as an asset, organizations can foster better cooperation, higher innovation, and significant performance improvement. Leaders who are able to adjusting their style to the needs of each individual in the team will be key to meeting the challenges and capitalizing on the opportunities that come with a diverse work environment.

## CONCLUSION

Situational leadership has enormous potential in improving team performance in multicultural organizations. With the leader's ability to adjusting the leadership style according to the needs and cultural characteristics of team members, team performance can be significantly improved. This flexible leadership allows individuals to feel valued and motivated, leading to improved collaboration and engagement in achieving organizational aims. A main challenge for leaders is how to recognize cultural differences and adjusting their approach to effectively manage teams.

For this reason, it is important for leaders to develop skills in communicating across cultures and improve their understanding of the dynamics that exist in multicultural teams. Education and training on cultural diversity and adaptive leadership can go a long way in preparing leaders for the challenges of managing multicultural teams. Organizations should also provide an environment that supports leaders in developing these skills, such as mentoring or continuous learning. Thus, the implementation of situational leadership in multicultural organizations can be an effective strategy to improve team performance and achieve organizational aims.

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