NEW-GENRE LEADERSHIP STYLES FOR INTERNATIONAL JOINT VENTURES (IJVS) SUSTAINABILITY: A LITERATURE REVIEW

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ABSTRACT

This paper aims to provide insights into the existing literature on the contemporary leadership styles commonly applied by International joint ventures (IJVs) leaders. A total of 51 articles published between 1992 and 2014 were retrieved from 21 refereed journals, all of which could be accessed online. New genre theories applicable for International joint ventures (IJVs) sustainability focus on exceptional leadership that has extra ordinary effects on their follower; to become highly committed to the leader vision and mission, make significant personal sacrifices in the interests of organisational success and to perform over and above the set standards. The new genre of leadership theory provides that, such leaders transform the needs, values preferences and aspirations of followers from self interests to collective (international joint venture) interests. Transformational, Transactional, Authentic, LMX and Global leadership styles were found to be the most popular leadership styles applied by IJVs leadership. In summary, this review paper offers an important attempt to understand the development of research on new genre leadership styles as they are applied for International joint ventures sustainability.

Key words: Leadership style; Transformational leadership style; Transactional leadership style; Authentic leadership style; LMX leadership style; Global leadership style.

1 Introduction

Leadership is one of the oldest and mostly known determinants of organisational success. Different leaders favor diverse behaviours (styles) when executing their responsibilities. The leadership style approach emphasizes the leader's behaviour and is different from the trait and skills approach (Northouse 2010). When considering leadership, positive organisational behaviours are positive constructs which include resiliency, efficacy, optimism, happiness and wellbeing as they apply to organisation (Avolio, Walumbwa & Weber 2009). A leader is "a group member whose influence on group attitudes, performance, or decision making greatly exceeds that of the average member of the group" (Simonton 1994:411). Leadership is no longer simply described as an individual characteristic or as differences, but rather is depicted in various models as dyadic, shared, relational, strategic, global, and a complex social dynamic (Avolio *et al*. 2009). Recent literature on leadership indicates that leadership behaviour will not be effective if followers do not perceive the leader to be authentic, focused and visionary (Gill 2012). As such leadership is defined by GLOBE researchers as " the ability of an individual to influence, motivate, and enable others to contribute toward the effectiveness and success of the organisations of which they are members" (House, Javidan, Hanges & Dorfman 2002:5) Consistent with the divergence hypothesis, it is proposed that leadership effectiveness is influenced by national culture, and a fit between a leader and culture is important for successful International joint collaborations (IJVs)(Gill 2012). Culture influences the effectiveness of leadership behaviour (House, Hanges, Javidan, and Dorfman & Gupta 2004).Cross-cultural literature has generally stressed a strong connection between culture and leadership styles (House *et al*. 2002)

In the past 15 years a new genre of leadership theory referred to as "charismatic", "transformational", "visionary" or "inspirational" has emerged in the leadership literature (Shamir, House & Arthur1993). If leaders use transparency and ethical/moral conduct, followers trust will be reinforced and followers will further identify the leader in promoting and modeling, which will achieve the desired organisational culture (Gill 2012).

Within the development of leadership models and due to pessimism on traditional theories, there emerged a number of alternative approaches which shared some common features, which were collectively referred to as new-leadership (Bryman 1992). New genre theories focus on exceptional leaders who have extra ordinary effects on their follower and eventually on social systems (Shamir *et al*. 1993).The new genre of leadership theory provides that, such leaders transform the needs, values preferences and aspirations of followers from self interests to collective interests (Shamir *et al*.1993).The work of Bass (1985) and Burns (1978) set the foundation for what Avolio *et al*. (2009) refereed as the new genre leadership theories. Avolio *et al*.(2009) brought up the New-Genre leadership that emphasize on charismatic leader behaviour, visionary, inspiring, ideological and moral values, as well as transformational leadership such as individualized attention, and intellectual stimulation. New genre theories cause followers to become highly committed to the leader vision and mission, to make significant personal sacrifices in the interests of organisational success and to perform over and above the set standards (Shamir *et al*.1993). New genre theories highlight such effects as emotional attachment to the leader by the followers, emotional and motivational arousal of followers, enhancement of follower valences with respect to the strategic direction set, follower self-esteem, trust, and confidence in the leader, follower values and follower intrinsic motivation (Shamir *et al*. 1993).

2. Literature review

2.1 International Joint ventures (IJVs) Leadership

The essence of organisational leadership in joint ventures is to influence and facilitate individual and collective efforts to accomplish shared objectives (Yukl 2012). Leaders are expected to perform various organisational duties associated with the position or status they have (Bahzar 2013).In International joint ventures (IJVs) partners should decide whether one partner will dominate the joint venture by taking all management responsibilities or whether control will be shared (Beamish & Lupton 2009). Farrell, Oczkowski and Kharabsheh (2011) attests that successful leaders should have an impact on their teams, board members, customers and shareholders. The terms leader and leadership are observed to describe an individual who has exceptional values, communication skills, confidence, and respect and effectively uses their trust and influence to promote harmony and teamwork (Gaiter 2013). In his study Yukl (2012) mentioned that leader behaviour should be observable, distinct, measurable and relevant for many types of leaders, and taxonomies of leader behaviours should be comprehensive but parsimonious. In the business world leaders are organisational employees who should be visionaries, with excellent communication, who should be trustworthy, with integrity, and have character that others want to emulate (Gaiter 2013). In relation to leadership, Peltokorpi & Froese (2012) observed that there is a positive correlation between employee personality traits like open mindedness and interaction adjustment, emotional stability and cultural empathy and general adjustment, and employee social initiative and work adjustment.

In their study Dong & Liu (2010) concluded that employees who work for joint ventures tend to like leaders who are tolerant and professional, and who respect and listen to the concerns of employees. On another note Ott (2014) mentioned that knowledge contributions from both sides (foreign partner –host partner) are additional strengths of the players for example technological knowledge as the strength of the foreign partner and marketing as the strength of the local partner. Although multinationals capability to transfer knowledge is a key catalyst for International joint ventures (IJVs) to learn new information, no doubt that knowledge acquisition is not only determined by knowledge transfer capacity but also highly influenced by the IJV absorptive capacity (Park 2010).

International joint ventures (IJVs) have significantly contributed to a higher degree of local innovation performance capabilities, technological capabilities, competitive advantage, and organisational learning effectiveness, and productivity, technological development of local industry and economic growth of host country (Wahab, Abdulla, Ul and Rose 2010).Organisations in developing countries are attempting to assess not only the significant role of technology transfer in strengthening their corporate and human resource performance (Wahab *et al.* 2010). Companies for example (International joint ventures)are now hoping to find people who have broad experience, building infrastructure, implementing management practices, modernizing financial services and developing efficient manufacturing operations with enough native knowledge of the region that they can fit easily (Ott 2014).The Long term management contracts are specifically designed for the IJV purpose to exert high effort levels for cultural convergence, local and technological knowledge which are the main reasons for failure in IJVs (Ott 2014). International joint ventures (IJVs) are nested within societies hence they are expected to maintain and gain some significant level of approval from society in order to function effectively (Sagiv & Schwartz 2007). Possession of relevant knowledge, prior collaborative experience, open communication within IJVs, active managerial involvement and transfer of expatriate expertise are essential conditions for developing leaders required leadership styles (Park 2010). The combination of support in management and training generate a synergy effect on joint venture leadership behaviours development (Park 2010).

2.2 Transformational Leadership

In the past 15 years a new genre of leadership theory referred to as "charismatic", "transformational", "visionary" or "inspirational" has emerged in the leadership literature (Shamir *et al*. 1993). Several studies have examined different processes through which transformational leadership effects are realized in terms of performance outcomes for example: followers' formation of commitment, identification, perceived fairness and satisfaction, job characteristics such as variety, identity, significance, autonomy and feedback, trust in the leader (Wang *et al*. 2014), and followers own feeling and other group in terms of efficacy, potency and cohesion (Avolio 2005). Empirical literature on charismatic or transformational leadership demonstrates that such leadership has profound effects on followers (Shamir *et al.1993*). It has been observed also that transformational leaders encourage open, honest and timely communication, and foster dialogue and collaboration among team members (Zagoršek, Dimovski, & Škerlavaj 2009).

As opposed to some traditional leadership theories, transformational leadership focuses on what is the best interest of the group as a whole rather that what only serves the individual (Whiltshire 2012).Transformational leadership "is concerned with emotions, values, ethics, standards, and long-term goals" (Northouse 2010:171). Modern leadership practitioners view transformational leadership as comprised of "leader behaviours that transform and inspire followers to perform beyond expectations while transcending self interest for the good of the organisation" (Avolio 2009:423).
In relation to other forms of leadership, Whiltshire (2012) mentioned that transformational leadership differs from most other theories of leadership because rather than addressing the exchange or transaction that occurs between leaders and followers it focuses on the growth and development of both. As a development from the traditional theories, Northouse (2010) argued that transformational leadership became the first positive leadership theory developed. In their study Avolio *et al*. (2009) found that moderating variables (for example reward) affects the direction and/ or strength of the relationship between leader and follower in a transformational leadership environment). According to Whiltshire (2012), transformational leadership addresses the modern generation work groups who are mainly motivated and feel empowered to succeed in times of uncertainty. Also charismatic/transformational leadership theory suggests that leaders raise followers' aspirations and activate their higher order values for example altruism (Avolio *et al*. 2009). Grant (2012) proposes that beneficiary contact strengthens the effects of transformational leadership on followers' performance by enhancing followers' perceptions of pro-social impact. The behavioral integrity, that is a connection between a transformational leader's words and deeds, can be established by beneficiary contact, which has the potential to forge a vivid, credible link between the rhetoric of pro-social impact and the reality of meaningful consequences for clients, or customers (Grant 2012).Under transformational leadership it has been observed that followers identify with the leader and his or her mission or vision, feel better about their work, and then work to perform beyond simple transaction (Avolio *et al*. 2009). Transformational leaders appeal to their followers' intrinsic motivations so the followers will bypass their own self-interest for the good of the organisation (Engelen, Schmidt, Strenger & Brettel 2014).Meta-analytic studies have shown that charismatic/transformational leadership is positively associated with leadership effectiveness and a number of important organisational outcomes across many different types of organisations, situations, levels of analysis and cultures such as productivity and turnover (Avolio *et al*. 2009). In their work activities, transformational leaders encourage followers to think beyond themselves to higher-order considerations through clear articulation of expectations and justifications of those expectations and by serving as role models of what they expect from followers and subordinates (Whiltshire 2012). They transform or change the basic values, beliefs and attitudes of followers so that they are willing to perform beyond the minimum levels specified by the organisation (Engelen *et al.*2014). Grant (2012) argue that a central purpose of transformational leadership is to articulate a vision that focuses employees' attention on their contributions to others

There is team spirit and camaraderie among groups that are guided by transformational leadership (Whiltshire 2012).Over and above the fact that followers will develop a positive work attitude and are properly compensated for their contributions, transformational leaders make every effort for followers to feel that they valued members of the organisation, and the fact that followers are more than just employees (Whiltshire 2012). From a leadership-substitute's perspective, one might expect beneficiary contact to serve a compensatory function, fostering perceptions of pro-social impact when transformational leadership is lacking (Simmonds and Tsui 2010). However Grant (2012), introduces a fresh understanding of transformational leadership in that it can shape performance by influencing how employees judge their relationships with recipients of their products and services, not only their relationships with leaders and employees inside their work groups.

There are three stimulation strategies that are commonly used by transformational leaders: inspiration through charisma, displaying consideration for followers as individuals, and providing intellectual stimulation (Whiltshire 2012). Transformational leadership is more likely to appear in organisations where the task requires cooperative efforts among subordinates (Whiltshire 2012). It is comprised of six leader behaviours: articulating a vision, providing an appropriate model, accepting group goals, having high performance expectations, providing individualized support, and providing intellectual stimulation (Engelen *et al.*2014).

In relation to organisational planning, Whiltshire (2012) mentioned that transformational leaders accomplish goals by sharing power with organisational members to achieve mutual goals, rather than operating through a hierarchical top-down leadership. One of the transformational leaders desire, is to develop followers into the next generation of leaders (Whiltshire 2012). Gao, Arnulf, and Kristoffersen (2011) identified four aspects of transformational leadership :i) the transformational model of leadership is seen as complex, but with specific set of behaviours, ii) by including the transactional perspective it integrates views on discipline and control, iii) emphasis of transformational leadership on stimulating higher-order needs echoes the moral dimensions of paternalistic leadership, iv) the charismatic aspect of transformational leadership contains the elements of paternalistic leaders for example Chinese. Rather than analysing and controlling specific transactions with followers by using rules, directions, incentives, transformational leadership focuses on intangible qualities such as vision, shared values, and ideas in order to build relationships (Zagoršek *et al.* 2009).

2.3Transactional Leadership

Transactional leadership is behaviours largely based on the exchange of rewards contingent on performance (Avolio *et al*. 2009). The transactional leadership process builds upon exchange: the leader offers rewards (or threatens punishments) for the performance of desired behaviours and the completion of certain tasks (Zagoršek *et al.* 2009). It lies in the leader's ability to inspire, trust, loyalty, and admiration in followers, who then subordinate their individual interests to the interests of the organisation (Zagoršek *et al.* 2009).

Bahzar and Kusuma (2013) argue that a transactional leadership style is adhering to the rules, guidelines for implementation of tasks and focuses on the completion of tasks and jobs. Avolio *et al*. (2009) presented a model that examined two specific ways that leaders can influence the way followers choose to behave: first way relates to values (e.g. achievement) and emphasizes making specific values or patterns of values salient for the follower to motivate him/her to action, the second relates to the follower's "self concept", where by the leader activates a specific identity to which followers can relate, creating a collective identity that the follower ultimately embrace as his or her own. The idea of a working self concept refers to "the identity or

(combination of identities) that is salient in the moment, and it consists of three types of components: self views, current goals, and possible selves" (Avolio *et al.* 2009:427). The self view concept relates to the current working model or view of oneself whereas the possible selves may represent the ideal model on individual may be striving for and something that could be leveraged by the leader to motivate and develop followers into better followers or leaders themselves (Avolio *et al.* 2009). Transactional leadership has three dimensions: i) contingent reward leadership refers to leader behaviours focused on clarifying role and task requirements and providing followers with material or psychological rewards, contingent on the fulfillment on contractual obligations, ii) active management-by- exception refers to the active vigilance of the leader, whose goal is to ensure fulfillment of the standards, and iii) passive management-by-exception occurs until mistakes are brought to his or her attention, the leader fails to intervene until the problem become serious (Zagoršek *et al.* 2009).Transactional leadership may result in followers' compliance, but is unlikely to generate enthusiasm for and a commitment to task objectives (Zagoršek *et al.* 2009).

2.4 Authentic Leadership

Modern organisations are characterized by unique pressures, dynamics and challenges and there is need of a constant determination to create a competitive edge and this has led to organisations realizing the need for authentic leadership (Tzinerr & Barsheshet-Picke 2014). There is growing evidence that an authentic approach to leading is desirable and effective for achieving positive outcomes in organisations (Wherry 2012).Avolio *et al.* (2009) mentioned that one of the emerging pillars of interest in the field of leadership has been called authentic leadership development. The concept of authenticity has its roots in Greek philosophy "to thine own self be true" (Tzinerr & Barsheshet-Picke 2014).Maslow one of the well acclaimed humanist psychologist defined authentic people as self-actualizing people, congruent with their basic nature, who see themselves and their life clearly and precisely (Avolio & Gardner 2005). Avolio and Gardner (2005) introduced the concept of authentic leadership development into literature with the goal of integrating work on positive organizational behaviour with the lifespan leadership development work. The recently increasing interest in authentic leadership boils over to organisations in the form of authentic management (Tzinerr & Barsheshet-Picke 2014). It has been said that the unique stressors of modern-day organisations require a new leadership approach, which should rehabilitate basic security, hope, optimism and meaning (Avolio *et al.* 2005). Authentic leadership was popularized by George 2003 and Luthans and Avolio 2003 (Avolio *et al.* 2009). Avolio *et al.* (2009:423) defines Authentic Leadership as "a pattern of transparent and ethical leader behaviour that encourages openness in sharing information needed to make decisions while accepting followers' inputs". Authentic leadership can also be defined as "a process that draws from both positive psychological capacities and a highly developed organisational context to foster greater self awareness and self regulated positive behaviours on the part of leaders and associates, producing positive self development in each" (Avolio & Gardner 2005:321). On another note, authentic leadership is viewed as a construct of positive forms of leadership that incorporated charismatic, transformational, visionary, ethical, transactional, directive and participatory leadership (Neider & Schrieshhein 2011).

Authentic leaders can make decisions that are compatible with their inner voice since they are not motivated by others' expectations (Tzinerr & Barsheshet-Picke 2014).An authentic leader encourages diversity and knowhow to develop their subordinates' abilities and empower them (Hsiung 2011). Neider & Schrieshhein (2011) affirmed the work of other researchers who contributed that an authentic leader is essentially a "moral agent" who espouses followers to take actions that are noble, fair and legitimate. Overly, authentic leadership encompasses positive leadership qualities to include high ethics, moral reasoning and positive orientation (Wherry 2012). An authentic leader is confident, hopeful, optimistic, resilient, moral/ethical, future oriented and gives priority to developing associates to be leaders, he is true to him/herself (Avolio &

Gardner, 2005). Authentic leaders are people who are deeply aware of their thought and behaviour and are perceived by others as aware of their own values, knowledge and power, and that of others, they are aware of the context in which they operate and seem secure, hopeful, optimistic and resilient (Tzinerr & Barsheshet-Picke 2014). However Tzinerr & Barsheshet-Picke (2014) mentioned that a leader cannot identify him/herself as an authentic leader, only subordinates who have experienced an authentic manager can perceive or describe them as such.

There are various personal benefits of authenticity as shown by growing evidence from social, cognitive and positive psychology as well as organisational studies (Walumbwa, Avolio, Gardner, Wernsing & Peterson 2008). There appears to be general agreement in the literature on four factors that cover the components of authentic leadership: balanced processing, internalized moral perspective, relational transparency, and self awareness (Avolio *et al.* 2009). Balanced processing refers to "objectively analysing relevant data before making a decision", Internalized moral perspective refers to "being guided by internal moral standards which are used to self regulate one's behavior", Relational transparency refers to "one's authentic self through openly sharing information and feelings as appropriate for situations (i.e. avoiding inappropriate displays of emotions)" (Avolio *et al.* 2009:424), Self awareness is the demonstrated understanding of one's strengths, weaknesses and the way one makes sense of the world (Walumbwa *et al.* 2008).

There is a need to examine how authentic leadership is viewed across situations and cultures and whether it is a universally prescribed positive leadership (Avolio *et al.* 2009).Leaders are authentically transformational when they increase awareness of what is right, good, important and beautiful, when they help to elevate followers' needs for achievement and self actualization, when they foster in followers higher moral maturity, and when they move followers to go beyond their self interests for the good of their group, organisations or society (Neider & Schrieshhein 2011).Authentically transformational leaders display the four major transformational leadership dimensions of idealized influence, inspirational motivation, intellectual stimulation and individualized consideration (Neider & Schrieshhein 2011).

In elaborating authentic leadership, four characteristics　were identified as Authentic leaders are: true to themselves, not motivated by external benefits such as personal gain, status or honor, original, not the copy and come to their convictions through their own internal processes, and　based on their personal values (Tzinerr & Barsheshet-Picke 2014).The subordinate of an authentic leader is one who follows the leader for authentic reasons and conducts an authentic relationship with him or her (Tzinerr & Barsheshet-Picke 2014). Authentic leadership can only be identified by others, and hence no manager/leader can proclaim to be an authentic leader (Tzinerr & Barsheshet-Picke 2014).

Tzinerr & Barsheshet-Picke (2014) propose two ways to manage authenticity: first one has to make sure that his/her words fit the actions, and second; one has to find common ground with his/her people. Some aspects of authentic leaders include that: a)leaders should see various sides, adjust to various situations, and play different roles, but they must come from own personality, b) playing roles does not mean　faking as subordinates realize when their leader is faking it　(Tzinerr & Barsheshet-Picke 2014).

When managers are authentic, it affects their subordinates, who in turn affect their attitude to colleagues, and customers, all of which in turn affects their attitudes to colleagues and customers (Walumbwa, Peterson, Avolio & Hartnell 2010). There is evidence that authentic leadership is less likely in collectivist cultures that emphasise values of harmony, fitting in, proprietary of behaviour, politeness, conformity to social hierarchy, and community, where being authentic may be subordinate to the primary societal value of harmony (Gill 2012).There is an expectation that authentic leaders will uphold honesty and integrity in their daily work and constantly search for self-enhancement and eliminate actions and interactions that are considered to be deceitful, and manipulation (Wherry 2012).

2.5 Leader –Member exchange Leadership style (LMX)

Leader-Member Exchange (LMX) theory has focused on the relationship between the leader and follower (Avolio *et al.* 2009). Dyadic relationships between a leader and each individual subordinate are developed over time though a series of interactions and the leader may consciously or subconsciously develop different types of exchange relationships with his/her subordinates (Kim, Lee & Carlson 2010). LMX theory was formerly called vertical dyad linkage (VDL) theory because its focus is on reciprocal influence processes within vertical dyads between a leader and his or her subordinates (Luo, Song, Marnburg, & Ogaard 2014).The essential principle of LMX theory is that leaders develop different exchange relationships with their followers, and as such the quality of the relationship impacts on the leader-member outcome (Avolio *et al.* 2009). Another view contributes the essential core of LMX theory as an understanding of the different types of exchange between leaders and followers (Tzinerr & Barsheshet-Picke 2014).Leader –Member exchange (LMX) is defined as "the quality of exchange between a supervisor and an employee" (Walumbwa, Mayer, Wang, Wang, Workman, & Christensen 2011:204). LMX can also be viewed as to the quality of exchange relationships that exist between employees and their supervisors and it describes the role making processes between a leader and each individual subordinate and the exchange relationship over time (Luo *et al.*2014). LMX relationships are developed through a series of interactions or exchanges between leaders and followers, immediate supervisors are critical in enhancing the LMX relationship because of their proximity to employees (Walumbwa *et al.* 2011). A differentiation tactic based on subordinates' cultural values is in line with LMX approach to leadership in which unique working relationships are developed with each employee rather than adopting an average leadership style (Lee, Scandura & Shariff 2014). The LMX theory focuses on the exchange between leaders and followers and the managerial pattern is different across subordinates and changes in keeping with the quality of the manager employee relationship (Tzinerr & Barsheshet-Picke 2014).LMX is based on the degree of emotional support and exchange of valued resources between a supervisor and his/her direct subordinate (Walumbwa *et al.* 2011). Within the LMX theory, the quality of the relationship is assessed by both managers and subordinates (Tzinerr & Barsheshet-Picke 2014).

Social exchange theory suggests that employees who are in a high quality LMX relationship tend to be more effective workers (Walumbwa *et al.* 2011).The social exchange process can be explained by a core principle called the "norm of reciprocity" which suggests that individuals who are treated favorably by others feel a sense of obligation to respond positively or return favorable treatment in some manner (Walumbwa *et al.* 2011).In relation to the social exchange process, once high quality LMX is in place subordinates tend to reciprocate by exerting effort on behalf of the leader and as such high quality LMX can boost individual motivation for high job performance (Walumbwa *et al.* 2011).

Several prior individual and meta-analytic studies reported significant positive relationship between LMX and job performance (Walumbwa & Schaubroeck 2009, Walumbwa 2011, Walumbwa *et al* .2011). When determining how to influence employee performance, managers should consider the nature of relationship they develop with their direct reports and how to raise employees' confidence levels (Walumbwa *et al.* 2011). Within LMX, each employee is treated as unique and his/her national culture is part of the uniqueness (Lee *et al.* 2014). Once strong LMX, self efficacy and identification are achieved, employees are likely to put forth more effort, thereby enhancing their performance (Walumbwa *et al.* 2011). Higher quality LMX relationship enhances levels of performance and organisational citizenship behaviour (Avolio *et al.* 2009). LMX is also considered an important type of leadership for supervisors since they interact with employees more frequently than higher level leaders (Luo *et al.* 2014). According to LMX theory, an effective leadership process is based on the development of a mature leaders-subordinate relationship and

that the two parties benefit from the relationship (Luo *et al.* 2014). When considering leader subordinate relationship, high quality LMX, reflects good leader-subordinate relationship and affects employee attitudes and behaviours (Luo *et al.* 2014). Tzinerr & Barsheshet-Picke (2014) also concluded that high-quality LMX relationship is characterized by a high level of information exchange, high level of trust, respect, fondness, extensive support, high level of interaction, mutual influence and numerous rewards. A low-quality relationship is characterized by a low level of trust, formal relations, one directional influence (from manager to employee), limited support, a low level of interaction and few rewards.LMX has a remarkable impact on employee in-role and extra-role performance, work attitudes for example organisational commitment and affective commitment (Ariani 2010).LMX may motivate employees to stay with their supervisors and departments (Luo *et al.* 2014). Meta-analysis show that LMX quality is associated with increased job satisfaction, organisational commitment, employee performance, and citizenship behaviours, as well as decreasing employee turnover (Kim *et al.* 2010). In a high-level exchange relationship, managers develop a kind of trusted in-group with their employees and in a low-level exchange; the manager-employee relationship is basically supervisory and less personal in nature (Tzinerr & Barsheshet-Picke 2014).

Leaders functioning within a trusted in-group have potential to delegate responsibility, which may take place prior to the development of the relationship as a method of assessing trust and capabilities, and later as a way of rewarding employees and expressing approval of their work (Tzinerr & Barsheshet-Picke 2014). However the influence of LMX on attitudinal outcome is contingent on individuals' cultural orientations (Zhang *et al.* 2012).

Members of the in-group feel more empowered than members of the out group, since the manager, by delegating more authority and responsibilities to members of the in-group, grants them more emotional support and includes them in the decision making process (Tzinerr & Barsheshet-Picke 2014).The LMX theory is fundamentally sociological and based on the social exchange theory (SET) which establishes human relationships on diverse exchanges for example economic, social, political or emotional (Tzinerr & Barsheshet-Picke 2014).

2.6 Global Leadership

The lack of precise, rigorous and commonly accepted definition of global leadership limits the field's conceptual and empirical progress (Mendenhall 2012). Globalisation has created a need to understand how cultural differences affect leadership performance (Northouse 2010).Over the past two decades scholars have therefore begun examining the necessary capabilities, skills and characteristics of people who take on global leadership responsibilities (Mendenhall *et al.* 2012). Globalization of organisations has been found to be one of the major drivers of cross cultural leadership interest, of which at times require leaders to work from and across an increasingly diverse locations (Avolio *et al.* 2009). Definitions of Global leadership may include one or more of the following components: vision, purpose (goal achievement), behaviours(influencing, motivating, change gantry, building community and trust, boundary spanning, intercultural competence),Multi National Corporation (MNC) job responsibilities (global integration, strategy, architecting), large audiences (individuals, groups, organisational, global community),global components (effectiveness, competitive advantage, world class performance, improved quality of life, positive change), and descriptions of the global contexts (cultural, political, institutional, geographical differences, multiple authorities, complexity, ambiguity) (Mendenhall, Reiche, Bird & Osland 2012).

Global leadership is significantly different from domestic leadership due to the salience of the context as characteristics of the global context appear to exert greater influence to the leaders compared with the domestic scenario (Mendenhall *et al.* 2012). Global leadership is the process of identifying leaders who are able to effectively lead across a variety of cultures Avolio *et al*. (2009). Also Global leadership could one that focuses on international experience, implying that leaders must spend time living in different cultures in order to be prepared to lead (Avolio *et al*. 2009).Globalisation has created the need for leaders to become competent in cross-cultural awareness and practice (Northouse 2010).Due to the demands encountered by Global leaders Northouse (2010) mentioned that they need to develop five cross-cultural competences: a) need to understand business, political, and cultural environments worldwide, b) need to learn the perspectives, tasks, trends and technologies of many other cultures, c) need to be able to work simultaneously with people from many cultures, d) they must be able to adapt to living and communicating in other cultures, and e) they need to learn to relate to people from other cultures from a position of equality rather than cultural superiority. For them to be effective, Global leaders need to develop communication competences that will enable them to articulate and implement their vision in a diverse workplace (Northouse 2010).

When one is to have a broad set of experience and competences that allow him/her to manage across cultures rather than focusing on a deep knowledge of one or two specific cultures can also be refereed as a Global leader (Avolio *et al*. 2009). Scholars have been occupied with ideas as to conceptualize and develop models that can help global firms to develop global management and leadership talent (Mendenhall *et al.* 2012). Another role of global leadership does not just entail extending a domestic leader's attributes and activities to a wider context, but also includes sense-making, the nature and quality of relationship that the leader holds with people in different global environments (Mendenhall *et al.* 2012).

3. Conclusion

If aspects of sustainable development do not preoccupy the mindset of leaders, corporate sustainability activities will not affect the core business effectively and are more likely to fail (Baumgartner 2009). Corporate or Business sustainability can be defined as "the adoption of business strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting, sustain and enhancing the human and natural resources that will be needed in the future" (Baumgartner 2009:103). Strategic leadership capabilities are needed in the new competitive landscape expected for the 21st century (Mahdi & Almsafir 2013). Human and social capital is source of sustainable competitive advantage for organization and, therefore, should be carefully nurtured and developed (Mahdi & Almsafir 2013). The extant literature reveals that transformational, transactional, LMX, authentic and global leadership are among the most contemporary styles applied by IJVs management. However In general, optimally effective leaders use a combination of transformational and contingent reward (e.g. exchange-based transactional leadership) behaviours, coupled with a low level of passive management-by-exception behaviour (e.g. remaining uninvolved until problems emerge) (O'shea, Foti, Hauenstein & Byco 2009). Vera and Crossan (2004) proposed a model that suggests that good leaders are those that know how to switch between styles of leadership as situations prevail (considering the environment, strategy, prior organisation performance, and stage of organisational life).

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