Research article

Culture and excellent leaders: case of indigenous and non-indigenous Indonesian leaders

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ABSTRACT

This study aimed to analyze the influence of cultural values and ethnic backgrounds on the construct of leadership excellence between indigenous and non-indigenous leaders in Indonesia. The respondents were 212 leaders of government and private organizations in Malang Area (city of Malang, Malang Regency and city of Batu). GSCA analysis was used to test structural models that were not recursive. Confirmatory Factor Analysis was utilized to examine the factor structure of the Excellent Leader scale used. The scale includes Organizational Demand, Personal Qualities, Managerial Behavior and Environmental Influence, while the t-test was used to analyze whether ethnic factors moderated the four dimensions of excellent leader. The results showed that all dimensions of the scale were related to the construction of leadership excellence. The important result of this research was that the cultural values inherent in indigenous and non-Indigenous leaders greatly influenced their leadership behaviors that formed their construct of excellence in leadership. However, ethnicity was not a variable that moderated the leadership excellence dimension between indigenous and non-indigenous leaders.

1. Introduction

The Indonesian archipelago, which is geographically located at the meeting point between two continents and two oceans, is prone to various influences. Starting from trade relations that existed between old kingdoms of the country in the past and various countries in Asia (India, China, the Middle East). In the following period, Europeans (Portuguese, British, and Dutch) came to Indonesia and started new trade relations but later developed into political occupation and control of the region leading to colonization that lasted hundreds of years throughout the archipelago.

The encounter of cultural values as a result of the interactions because of trade and colonization has led to cultural acculturation where foreign cultures blend with local culture. Buddhism, Islam, Hinduism, Confucianism, Christianity, and Tokugawa encountered local wisdom that spread throughout the archipelago (Soebadio, 1985, 10). This socio-cultural and historical reality has led to the conclusion that Indonesia is one of the countries in the world that has a multiethnic society. The rich history sets a background in understanding the cultural aspects that influence the practices of organizational life and management systems in Indonesia.

In fact, if examined in depth, cultural values that are spread among various Indonesian societies have a variety of values that can be constructed as a leadership model that can also be used for structuring modern organizations. Vilkinas et al. (2009, 586) show that culture and institutional differences significantly influence variability in leadership behavior. Thus, Western leadership theory is likely not to be applicable if it is implemented directly in organizations strongly influenced by Eastern culture, as in Indonesian organizational setting.

Lack of knowledge and appreciation of leadership values found in a variety of cultural values in Indonesia, can potentially result in the lack of appreciation of both national and local culture leading to a missing link with the cultural roots. This will have an impact on the emergence of inferior syndrome; that is, feeling inferior among organizational decision makers and the loss of trust in indigenous culture which can cause the erosion of national identity.

Selvarajah and Denny (2008, 706) in their research investigated the contribution of cultural values of Malays, Chinese and Indians, and found that historical, social, and cultural factors affected the way management was carried out in Malaysia. Cultural values have an impact on the concept of excellence in leadership. In a study conducted by Anurit (2012, 93) with the cultural settings of Thai society, concluded that dominant cultural factors such as non-confrontation and mutual respect

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could moderate the perception of Thai managers about an excellent leader. Likewise, the GLOBE study conducted by House et al. (2004), cited by Aldulaimi (2019, 201) found that Arabic cultural values influence Arab managers in determining their leadership style. Teshkelashvili (2009) in the study of leaders in Georgia found that the cultural dimension influences leader behavior. Likewise, the results of Yuwono’s (2016) study on leaders at the Bank BNI International Division in Jakarta found that leaders who have cultural-based characteristics are able to apply these values linearly in their work.

The leaders of various government and private organizations in Indonesia generally come from various ethnic and cultural backgrounds, both indigenous Indonesians and immigrants such as Chinese, Arab and Indian. They bring the values inherent to their personality into the organization. Therefore, analysis in the study is directed at the relationship between cultural values, how these values shape the concept of excellence in leadership and whether differences in cultural values in different groups will provide different construction of excellence in leadership of leaders in Indonesia especially in the Malang area. This study will particularly explore the four dimensions of Excellent Leader conceptualized by Selvarajah et al. (1995) which consist of Organizational Demand (OD), Personal Qualities (PQ), Managerial Behavior (MB) and Environmental Influence (EI) between indigenous and non-indigenous leaders. These four dimensions are thought to have the potential to provide cultural insight into the values of excellence in leadership in Indonesia.

2. Leadership excellence

Research on leadership has undergone many changes in implementing various theories and concepts, but the search efforts for leadership characteristics are still being reviewed on an ongoing basis (House and Aditya, 1997; Yukl, 1989). There have been western scholars on leadership who have contributed to and proposed numerous leadership concepts and theories. Some of them can be found in groups categorized as adherents of a classic, contemporary and critical approach to leadership (Grin, 1997). Newer approaches include charismatic leadership (Conger and Kanungo, 1987), transactional and transformational leadership (Bass and Avolio, 1990) and servant leadership (Sears, 1997).

The model of leadership excellence development has been widely studied by western and eastern researchers (Taormina and Selvarajah, 2005; Selvarajah et al., 1995). Various western and eastern literature such as (Takala, 1998; Bennis, 1985; Yukl, 1989; Bass, 1985; Peters and Waterman, 1983; Ling et al., 1992; Ling, 1989; Xu et al., 1985; Misumi, 1984) have been widely cited. Similarly, researchers from several ASEAN countries have explored the view to categorize elements into international perspectives in a balanced manner rather than using instruments developed in western literature. The four categories identified are: Personal Qualities, Managerial Behavior, Organizational Demands and Environmental Influences (Selvarajah et al., 1995).

In this study, “excellence” is perceived based on the behavior of a person in a leadership position, rather than measured by personal traits or characteristics. This perspective helps theorists and practitioners identify behaviors that help leaders achieve excellent performance from excellent characters (Taormina and Selvarajah, 2005). Anurit (2012) in his study identified various views on the dimension of excellence and its relationship to leadership (March and Simon, 1958; Katz and Kahn, 1966; Mott, 1972; Campbell et al., 1974; Steers, 1977). Earlier studies focused more on effectiveness, productivity and efficiency. In the 1980s orientation began to change when researchers such as Kantor (1985), Kotter (1985), and Peters and Waterman (1983), popularized elements of leadership excellence in organizations to be confronted with studies of effectiveness. Furthermore, Anurit (2012) suggests that researchers still define excellence delicately, and therefore become a common theme that avoids definite parameters and at the same time provides space for researchers to study dynamics and relativity that even obscure the meaning of excellence. Leadership excellence is a phenomenon, and any new research will provide a new perspective in understanding what leadership means in a certain situation or place.

Many studies use a national context and have not intensely delved into a specific group of countries as shapers of the values of leadership excellence. Although studies on this have been proven by (Ralston et al., 1995; Selvarajah and Denny, 2008), that those values can be different following generational changes that affect everyone’s perception of those values. The findings that are in line with this is that of Anurit’s research (2012) on leaders in Thailand which showed that strong cultural factors such as non-confrontation and mutual respect could moderate a Thai manager’s perception of an Excellent Leader. Similarly, the results study of Christopher Selvarajah et al. (2012) show that the decision-making process of Cambodian managers is related to perceptions of Excellent Leaders mediated by culture-based constructs such as tolerance, individualism, respect, pragmatism, orientation of change and subject to authority.

In this study, the perception of what constitutes an Excellent Leader adopted the dimensions of Personal Qualities (PQ), Organizational Demand (OD), Managerial Behavior (MB) and Environmental Influence (EI) proposed by Selvarajah et al. (1995) in their explorative research on Excellence in Leadership in Asia. The results of following studies (Selvarajah and Denny, 2008; Anurit, 2012; Selvarajah et al., 2012), show that all dimensions of EI, MB, OD and PQ are able to explain the excellent leader construct. The researchers also find that there are certain dimensions more dominant than others.

2.1. Culture and leadership

Tung (2004) explains that the things that distinguish North American and East Asian management are that, in North America, management practice is considered a science, while Asia sees it as an art. Furthermore, Tung (2006) emphasized that in East Asian society, as an art, management is molded by experiences and such experiences are given a high value. By understanding this, when studying the dimensions of managerial values that support leadership excellence, we will consider culture as the basis for contextual studies. In the past, culture was seen as a problem to be overcome in international affairs (Soderberg and Holdren, 2002; Hofstede, 2007). However, Schnieder and Barsoe (2003) argue that a culture that is carried out properly can be a dimension that contributes to increasing competitiveness.

Culture is the value system of a society, including ways of acting, beliefs and attitudes, and the results of human activities that are unique to a particular society or population group (Sirigah, 2002). Culture is the whole way of life of society and is not only about the ways of life which are considered higher and more desirable (Sirigah, 2002). Mulyana and Rakhat (2001: 18) explain that culture is a concept that generates interest. Culture is an order of knowledge, experiences, beliefs, values, attitudes, hierarchical meaning, religion, time, roles, spatial relations, concepts, the universe, material and property objects that are acquired by a large group of people from generation to generation through individual and group efforts. According to action theorists such as Talcott, Shils, Merton and others (Syawaludin, 2017), culture cannot be separated from the social system that follows it, because a series of patterned actions related to one another are concrete and real. Human interaction on the one hand is organized and regulated by a cultural system, but on the other hand it is cultured into institutions by these values and norms.

A number of studies that include cultural contextualization have been carried out in various countries (Karande et al., 2002; Kennedy, 2002; Saull et al., 2002; Lim, 2001; Gupta and Sulasman, 1996; Hofstede, 1980). The results show that the contextualization of culture is important, and therefore knowledge of culture and its effects can be useful for leaders who work in a multicultural organizational environment (Jayidan et al., 2006). Hofstede (Anurit, 2012: 81) defines culture as “programming the collective mind to distinguish one group or category of people from another.” Hofstede’s definition is used in this study because culture is considered a collective attribute, not an individual attribute,
and culture cannot be seen directly but is manifested in behavior. Clearly
defined principles of human relations are essential in a pluralistic society
where leaders deal with people from diverse cultural, ethnic and reli-
gious backgrounds. In order to be effective, leaders must have a mul-
ticultural understanding, suggesting that both eastern and western
managerial dimensions will exist for perceptions of leadership
excellence.

Most studies related to the national aspect do not seriously look at the
subpopulation of the country as contributors to leadership values. Ken-
dedy (2002) reported in a GLOBE study in Malaysia entitled, “Leadership
in Malaysia”, misinterpreted the values of indigenous Malaysians as a
surrogate measure for the values of managers there, thus ignoring the
role and contribution of Chinese and Indians to leadership in Malaysia. In
many countries in Southeast Asia, certain ethnic groups have great
power, and this affects perceptions of the value of leadership (Selvarajah
and Denny, 2008). On the other hand, the research of Karande et al.
(2002) aimed to examine the cross-cultural moral philosophies of mar-
ting managers in the US, Australia and Malaysia, but the results of the
study failed to explain the effects of subcultures in their analysis. Anurit
(2012) explains that although there are many studies that emphasize the
national dimension, but they fail to take advantage of the population
from various regions within the country to construct local wisdom-based
values forming leadership values for leaders.

In the organizational structure in Indonesia, there are so many leaders
who come from various ethnic backgrounds. In government organiza-
tions we can find leaders who come from various regions with different
ethnic and cultural backgrounds in Indonesia. However, we can also find
leaders who are Chinese, Arab and Indian ethnicities who occupy positions
in government agencies. Likewise, in private organizations, leaders who
are Chinese, Arabs, Indians and indigenous ethnicities can also be found.
Swierczek (Selvarajah and Denny, 2008), argues that there are three
major streams of leadership styles in Asia, which can be distinguished by
cultural backgrounds: East Asian, South Asian and Southeast Asian styles.

(1) East Asian: These include Japanese style, Chinese style and Korean
style. In this area there is a separation between participative and
directive approaches. Research conducted by Misumi (Swierczek,
1991) found that in many situations, the democratic style is more
effective when the task is easy, and the autocratic style is more
suitable when the task is difficult.

(2) South Asian: This grouping will include India, Nepal, Pakistan and
Sri Lanka. Managers tends to be reluctant to consult with their
subordinates and delegate authority to them. Leaders are paternal-
istic and tend to involve themselves in the personal lives of
their subordinates. This South Asian leadership style tends to be
distant, directive and paternal.

(3) Southeast Asia: This includes ASEAN countries. For Southeast Asia,
research has been conducted using Hofstede’s categorization. It
concludes that organizations tend to adopt an authoritarian
management style, reflecting the fact that managers prefer con-
formity and order.

To explain which culture is most dominantly practiced in the man-
agement of a country, we can refer to Chin (2002), which explains that in
a plural society like Indonesia, ‘leaders must recognize the cultural dif-
cferences that underlie each community’. In their study, Prayajanti
(2012) and Elifira (2012), explain that cultural values are the choice of leaders in
Indonesia in implementing their leadership style. According to empirical
studies (Hall, 1976; Hofstede, 1980; Trompenaars and Hampden Turner,
2009), leadership behavior is heavily influenced and based on the
dominant cultural value orientation. Based on the GLOBE (Global Lead-
ership and Organizational Behavior Effectiveness) study, Indonesia
(South Asian group) had high scores on humanitarian orientation and
group collectivism (Northouse, 2013). According to Noe et al. (2011:
273), Indonesia has high collectivity (low individual level at rank 14) and
tends to be feminine by prioritizing relationships (low masculine level at
rank 46). Both studies show that Indonesia has a character that empha-
sizes humanity, so that the parameters of superior leadership tend to be
employee centered.

2.2. Leadership and cultural values in Indonesia

As a developing country located in the Southeast Asia region,
Indonesia is very rich in various cultural traditions and ethnicities that
contain indigenous values. The culture has different characteristics
following the traditions and customs of each region that have been
passed down from one generation to the next. Local culture is reflected in
various aspects of community life in all regions of Indonesia. These cul-
tural values are believed to have the potential to advance society and
solve various problems in Indonesia (Elifira, 2013). In leadership practice,
there are ethical values and integrity which are influenced by the existing
culture in the environment where the leadership is carried out. If a leader
comes from Java, Minang, Bugis and so on, his leadership style will be
more or less influenced by cultural values that are ‘inherent’ in the
person concerned. Non-indigenous people in Indonesia are those who
come from China, Arabia and India.

Non-indigenous people came to Indonesia from China in the late
nineteenth century. The Chinese (Tionghoa) culture was assumed to have
influenced Indonesian culture when the Chinese started to develop trade
ties in Sumatra, Kalimantan, and Java during the reign of the Man Dy-
nasty (206 BC - 221 BC). This is evidenced by the presence of archaeo-
logical findings in the form of stone sculptures and Chinese ceramics.
Chinese culture is the most diverse, and it has expanded to many parts of
the world, as do many Chinese citizens who want to travel abroad.
Chinese culture represents noble values, traditions, and ancestor
worship. Chinese society is one of the world’s oldest, having existed for
millennia, and it has lasted to this day (Tan, 2014).

Tsui et al. (2004) established six dimensions of Chinese leadership
based on Confucian values: (1) being innovative and taking risks; (2)
establishing relationships and communicating; (3) articulating the
vision; (4) demonstrating good deeds; (5) overseeing operations; and (6)
being authoritative. In comparison to Confucius’ and Mencius’ teachings,
Taoism’s teachings discuss how to live a simple life and normal ways of
behaving that cause things to open up (Wah, 2002). Lao Tze, the father of
Taoism, argues that a leader must serve as a facilitator and promote
community processes (Heider, 1994). In running the company, a wise
leader would take the course of least resistance. According to Lao Tze, the
more the leader drives, the more the mechanism pushes back.

The Chinese people’s ethnic heritage has mingled with local traditions
and history. The Chinese are a minority group in Indonesia, but they
dominate the majority of the country’s economic machinery. Their
impact on leadership styles in the Indonesian business sector is impor-
tant. Mencius said that a good leader is someone who can motivate his
followers to achieve high performance by always offering opportunities
for them. A wise leader will develop followers as human capital and not
as human resources (Wah, 2002).

The influence of Indian culture can be felt in Indonesian culture as
well. Prior to the sixteenth century, Hindu kingdoms in Indonesia, such as
Majapahit and Mataram, demonstrated India’s heavy presence in the
archipelago. Indian merchants also introduced Hinduism, Buddhism, and
Islam to the archipelago. Collectively, Indian immigrants introduced
their beliefs and traditions, thus reinforcing the foundation of Indian
cultural values in Indonesia. The majority of the domestic values or local
wisdom that reside in culture mix with Indian values to form an accul-
turation of Indonesian culture (Hadivijoyo, 1990; Poeponegoro and
Notoatmodjo, 1990).

Indian beliefs and customs form how Indians behave in society and in
organizations. Sinha (1980) made one of the first attempts to identify an
appropriate leadership style in the Indian sense. Based on his thorough
research, he discovered that the Nurturant Task Leadership Style (NTL)
was the most powerful in the Indian sense (1980). This leadership style is
defined by the leader’s consideration for the mission at hand as well as a
caring nature. This trait, along with its focus on teamwork and long-term ambitions, would play a significant role in defining the understanding of leadership excellence in the Indian context.

People from the Middle East area who came as traders and then stayed and intermarried with indigenous people influenced the local community's culture. The Middle Eastern (Islamic) cultural influences in Indonesia were calculated at the end of the 13th century, as demonstrated by the creation of Islamic kingdoms in Sumatra, which extended to Java and even other parts of the archipelago. Around the same time, the Majapahit Kingdom was in decline as a result of civil war and a throne struggle.

The majority of Middle Eastern culture that reached Indonesia originated from Gujarat, Persia (modern-day Iran), and Saudi Arabia (Hutgronje, 1995; Djajadiningrat, 1983). These Middle Eastern cultural values that live and flourish in Indonesian society have an effect not only on the course of everyday life, but also on organizational life. Exemplary principles (being a model) of Islamic society (Arkoubi, 2013; Beekuni, 2008; Aldulaimi, 2019) that emphasize consultation in decision making (Aldulaimi, 2016), self-oriented (House et al., 2004), and patriarchal culture (Aldulaimi, 2019) are Arab society traits that Arab leaders internalize and enforce.

Indigenous Indonesians are those who uphold their traditional beliefs and are firmly rooted in their traditions. The majority of Indonesians are human forms who live in accordance with nature, with a focus on social and religious morality, intrapersonal interactions, and harmonious interpersonal contact. This idea is inherent in Indonesian culture and demonstrates that Indonesians have a shy, non-confrontational culture, be able to change and sustain an obedient attitude in society, when necessary, believe in hierarchical relationships, and be willing to recognize unequal and authoritarian relationships between young and old, superior and subordinate. Elders and others in positions of leadership are held in high regard. Building relationships on morality and trust, stressing modes of high-context contact in which verbal and nonverbal cues must be considered.

The goals in the form of communities and societies may be related to the ideas of social awareness and guilt. The ability to perceive human on collective growth holistically encompasses both material and spiritual aspects at an equal degree of significance. Loyalty to groups, feelings of emotional interdependence, and harmonious relationships with others give one's existence meaning in a social context. Personal and technical characteristics are also critical in measuring performance and attitudes. Indonesians believe in the idea of a single God, Almighty Allah. This is shown by their dedication in daily life, which is manifested by prayers and ceremonies performed together to remember their Lord.

The search for knowledge from the scriptures is of great importance to Indonesians. On the other hand, they appreciate that life must be lived by working to pursue the pleasures of the world and live according to the teachings of their religion. Values like these emerge in their daily behavior, with the intellect inherited from previous generations. Reason requires a person to be rational and sensitive to intuitive self-feelings. The balance between rational thought and feelings is reason which is also a statement or manifestation of hospitality.

In a multicultural Indonesian society, people of diverse ethnicities have their own identities and culture, and they can coexist in a comparatively harmonious setting (Endraswara, 2013). Despite the fact that Indonesians practice a variety of faiths and follow a variety of rituals, they all share a set of profoundly ingrained beliefs. In addition, Sibarani (2013) notes that upholding these values include respect for elders, collective orientation, harmony, caring for saving face, relationships and religious orientation. The findings of the GLOBE study can be traced back to the discussion of the cultural dimension in relation to leadership. In his analysis, GLOBE displays Indonesia's average score for all cultural measurements, which lies between the two extremes (in the middle) of all countries' high and low scores (Irawanto, 2011). According to the Globe study on cultural value dimension, Indonesian culture ranked relatively high on group collectivism, power gap, human orientation, ambiguity avoidance, and institutional collectivism, while scoring medium on future orientation, assertiveness, and gender egalitarianism. These high values seem to be reflected in job practices and social norms, supporting Goodfellow's (1997) conclusion that Indonesian society is still affected by local cultural heritage that upholds this cultural component.

Meanwhile, the GLOBE study's ranking of Indonesian managers for each leadership factor reveals that charismatic/transformational leadership is regarded as providing the greatest contribution to understanding leadership (Dorfman, Hanges et al., 2004). This dimension was also ranked as the most important by the Indonesian managers. In comparison to other nations, Indonesia ranks at the top (fourth place). Regarding the findings of inspirational leadership, it is true that Indonesians admire confidence builders, are able to compromise, and actively attempt to influence others.

The second most important dimension for leadership in Indonesia is the team-oriented dimension. This finding corroborates the findings of House et al. (2004) who postulated that managers who rank higher in this leadership style usually exhibit a diplomatic and collaborative team-oriented approach to leading. The results of this study are in line with the cultural norms that underlie Indonesian leaders who prefer to coordinate tasks in a diplomatic fashion, showing concern for others (Goodfellow, 1997). Indonesia's ranking for participatory leadership style ranks third in the attributes of leadership interests. In general, Indonesian managers ranked highly on participatory leadership tend to value the use of consultation more as part of a shared leadership belief system both within the organization and in society (Mansour, 2004). The average score indicates that Indonesians like to work collaboratively with the guidance of leaders who practice a participatory style.

Indonesians also emphasize a human-oriented leadership style from the CLT (Culturally Leadership Theory) dimension proposed by the GLOBE study. Based on the finding that human-oriented leadership styles are highly rated, it is possible that Indonesians emphasize the importance of caring for others, friendship, tolerance, and support for others extends to the community and organizational levels. Therefore, Indonesian managers rank this leadership style the seventh highest among all countries. The ranking is in accordance with the description of the values of Indonesian society and the values that underpin Indonesian culture. According to Mulder et al. (1994), society expects leaders who are generous, humble, patient, and tolerant, taking into account differences in status.

The most critical feature that can be established from the aspects of Indonesian leadership based on the Globe study findings is a distinct leadership style that could vary from the leadership styles preferred by other countries. Managers in Indonesia are more willing to embrace and follow a charismatic leadership style; however, this is tempered by the high human orientation demanded of leaders.

2.3. The effect of globalization on multicultural existence in Indonesia

Globalization is a phenomenon that is associated with increasing interconnectedness and dependence between nations and people around the world. Globalization has brought changes in the social, political, economic and cultural life of society, especially for multicultural Indo-nesians. The swift currents of globalization continue to move through various lines of community life and reduce the boundaries of the nation-state, through trade, investment, travel, popular culture, and other forms of interaction, so that the boundaries of a country become increasingly narrow (Sholahudin, 2020).

In this age of globalization, Indonesia is confronted with the phenomenon of cultural homogenization, which, according to Robbins (Sholahudin, 2020), is characterized as the interaction of local culture customs in global life. Global society, which is associated with Western culture, circulates forever by capitalism's philosophy into different nations. According to Yang-Hoong (2006), multiculturalism is intentionally promoted to dismantle and combat ethnic homogenization by introducing ideas and forms of living side by side, as well as the same or equal
socio-cultural integration of diverse communities and communities within the nation-state.

Since everything is reduced and absorbed into the universal cultural structure, Western and American cultures dominate global culture infiltration, which is becoming stronger and more difficult as globalization progresses. Cultural homogenization has a clear potential to encourage cultural diversity erosion while also eradicating sovereignty and local cultural identities. Disorientation, dislocation, or socio-cultural crisis are becoming more prevalent in our society as a result of the unstoppable globalization trend, as is the increasing invasion, proliferation, and homogenization of Western culture - especially in the United States (Sholahudin, 2020).

The impact caused by this cultural globalization can be positive or negative. Donny Ermawan (2017) states that the positive impact of cultural globalization is a change in the values and attitudes of society from being irrational to being rational; the development of science and technology which makes it easy for people to do their activities; and encourage more advanced thinking and a better level of life. The negative impact of cultural globalization include the development of individualistic traits because people feel facilitated by advanced technology making them feel that they no longer need other people; increasing materialistic character because society views everything from a material perspective; the increasing nature of consumerism, namely the process of consuming or using products that are produced excessively or inappropriately in a sustainable manner, and hedonism, which is a view of life that assumes that people will be happy by seeking happiness as much as possible and avoiding painful feelings as much as possible. So quickly the influence of foreign culture causes a culture shock, which is a situation where the community is unable to withstand various cultural influences that come from outside so that an imbalance occurs in the life of the community concerned. Globalization will bring two consequences at the same time for Indonesian cultural society, namely the opportunities and threats of globalization to Indonesian multicultural society.

Based on the above explanation, the research hypotheses tested in this study are:

H1: The dimensions of Personal Qualities (PQ), Managerial Behavior (MB), Organizational Demands (OD) and Environmental Influences can be used to perceive what makes an excellent leader.
H2: There must be one of the four aspects of Excellence Leadership that has the greatest impact in forming excellent leadership for Malang Regency leaders.
H3: There is no difference in perceptions underlying excellent leadership between indigenous leaders and non-indigenous leaders.
H4: Ethnicity is thought to moderate the four dimensions of excellent leadership.

3. Research methods

This study aimed to analyze the influence of cultural and ethnic values on leadership excellence in Indonesia. This study focused on leadership in private companies and government agencies. The study population was the leaders of indigenous and non-indigenous groups. The indigenous groups are the original inhabitants of Indonesia, and the non-indigenous groups are not indigenous Indonesians (immigrants who have lived for a long time and have been Indonesian citizens since birth), which in this study consisted of Chinese, Arab and Indian descent. However, this study will not analyze each leader according to ethnicity, but the respondents were grouped into both population categories.

Data were analyzed from samples obtained by purposive sampling technique on respondents who work at 18 private companies and 9 government agencies in Malang Raya. The use of purposive sampling technique was not only to determine the unit of analysis, but also to determine which private companies and government agencies were selected. The private companies chosen are those with workers who occupy positions as line managers, middle managers, and senior managers, the majority of whom are shareholders in the firm, who are mostly Chinese, Arab, and Indian. Private corporations listed as testing subjects include those involved in banking, manufacturing (textiles, furniture), retail, and others. According to Irawanto (2011), the globalization of Indonesia's private sector is more likely to be affected by the ideals of other countries. As a result, Chen (2003)'s study focused mainly on family-owned companies in the private sector. In the study, family-owned businesses were considered most likely to be influenced by traditional Confucian values in the Taiwanese context.

Meanwhile, government agencies are state ministries' official offices in Batu City, Malang City, and Malang Regency. The analysis of government organizations would ensure that the survey contains representative evidence for this study. Ideally, researching those who serve as civil servants in the Indonesian government is closely linked to the intent of this research in order to examine the nature of Indonesian cultural traditions (Irawanto, 2011). This survey is targeted at leaders whose characteristics only include line managers, middle managers, and senior managers, so no other factors are used to determine respondents in this sample. Respondents were asked to respond to a leadership scale for each value statement “excellence in leadership”.

A total of 250 questionnaires were provided to respondents in Malang City, Malang Regency, and Batu City. Following numerous direct and indirect contact efforts, 212 questionnaires were compiled. There were 136 indigenous respondents and 76 non-indigenous respondents among those who completed the questionnaires. The majority of respondents (85%) were men, with the remainder (15%) being women. The majority of respondents (88%) were between the ages of 35 and 55, with the remainder (12%) being over the age of 56. The majority of respondents (78%) work for government departments, with the remainder (22%) working for private corporations. Respondents hold 12 percent of senior management positions, while 64% are in middle manager positions, and 24% are in line manager positions.

In this study we use four variables that make up the Excellent Leader (EL), which includes Personal Qualities (PQ), Managerial Behavior (MB), Organizational Demands (OD) and Environmental Influences (EI) developed by Selvajarah et al. (1995). Personal Qualities (PQ) are personal values, skills, attitudes, behavior and qualities of an individual, this construct focuses on morality, religion, interpersonal relationships and communication. Managerial Behavior (MB) is the nature, value, attitude, action and style of a person when performing managerial tasks, this construct focuses on the ability of persuasion. Organizational Demand (OD) is a way for managers to respond to goals, structures and issues in an organization, this construct focuses more on the importance of organizational prosperity. Meanwhile, Environmental Influence (EI) is an external factor that affects the overall success of the organization, and this construct emphasizes the importance of monitoring and evaluating the external environment to look for opportunities. The indicators for the four dimensions can be seen in Table 1.

To test the hypothesis proposed in this study, using CFA (Confirmatory Factor Analysis, GSCA (Generalized Structured Component Analysis) and Homologizer Moderation Test. Confirmatory Factor Analysis (CFA) is used to examine the factor structure of the scale. A variable is said to have good validity on the construct or latent variable if the t-value of the factor load is greater than the critical value (≥1.96) and/or the standard factor load is 0.50. Based on the CFA function, this analysis technique will be used to test Hypothesis 1. GSCA analysis considered capable of analyzing the model as a whole, and has advantages such as the structural model is not recursive, parameter estimation is global optimization. In GSCA analysis, the application of the least square method is to minimize residuals in the structural model. GSCA analysis has a bootstrapping system, namely a random sample algorithm system so that series variance data and standard errors are distributed following the normal curve automatically. Based on the Limit Central Theory which states that the normality assumption is not too critical for a large sample (Soliman, 2011:79). The Limit Central Theory states that if the number of samples is large (n ≥ 30), the statistical data from the sample will be normally
distributed (Walpole, 1995:214). Therefore, in this study no normality test was carried out.

While the evaluation of the reliability of the measurement model in the GSCA can use Connot Reliability (CR 0.70) and Average Variance Extracted (AVE 0.50). Based on these functions, the GSCA is used to test Hypothesis 2 and Hypothesis 3. Meanwhile, to test Hypothesis 4, which is to analyze whether ethnic factors moderate the four dimensions of superior leadership, the Homologizer Type Moderation effect (Multi-Group Moderation) is used by dividing the path analysis into two groups then tested for significance. If one of the two groups is declared significant, then the variable that is hypothesized as a moderating variable is declared to be able to moderate. If there is no significance between the two groups, then the hypothesized variable is declared unable to moderate. However, if both groups were declared significant, a follow-up test was performed using the Fisher’s Z test (FZ-test). SPSS v13 and AMOS v20 were used for data analysis in this study.

4. Results

4.1. Goodness of fit test (GoF)

This fit test is intended to evaluate in general the degree of fit or Goodness of Fit between the data and the model. Structural Equation does not have one statistical test that best explains the predictive power of the model. Instead, several GoF or Goodness of Fit Indices (GFI) measures can be used together or in combination. Neither of the GoF or GFI measures can exclusively be used as the basis for evaluating the overall fit of the model. The best guide in assessing the fit of the model is a strong substantive theory. If the model only shows or represents a substantive theory that is not strong, and even though the model has a very good model fit, it is rather difficult for us to judge the model. The overall fit test of the model relates to the analysis of the GoF statistics generated by the program, in this case the GSCA. By using the guidelines for GoF measures and the results of GoF statistics, it is possible to analyze the overall fit of the model as follows (see Table 2).

The FIT value ranges from 0 to 1, so the model formed can explain all existing variables 0.518. The exogenous variable that can be explained by the model is 51.8% and the rest (48.2%) can be explained by other variables, thus the model is suitable to explain the phenomenon being studied. Adjusted from FIT is almost the same as FIT, however, because there is more than one exogenous variable affecting endogenous variables, so it would be better if the interpretation of the accuracy of the model uses corrected FIT or uses AFIT. Because the more variables that affect the value of FIT will be even greater because the proportion of diversity will also increase so to adjust to the existing variables can use the corrected FIT.

When viewed from the AFIT value of 0.508, the model that can be explained by the model is 50.8% and the rest (49.2%) can be explained by other variables. Goodness of Fit Indices (GFI) is a measure of the accuracy of the model in producing the observed covariance matrix. This GFI value must range from 0 to 1. Although in theory GFI may have a negative value, this should not happen, because the model that has a negative value is the worst model. GFI value greater than or equal to 0.9 (0.967 > 0.990) indicates the fit of a model (Diamantopaulus, 2000 in Ghozali and Fuad, 2005). Standardized RMR represents the average value of all standardized residuals, and has a range from 0 to 1. A model that has a good fit will have an SRMR value of less than 0.08. The model proposed in this study has an SRMR value of 0.282, because the SRMR value is greater than 0.08, it can be concluded that the model is declared Marginal Fit.

4.2. Confirmatory factors analysis test

The results of the CFA analysis (Appendix 1) in the indigenous group, show that all indicators of the variables tested, the Loading Factor value 0.50 (valid), and the AVE value 0.50 (valid), while the results of the reliability calculation show that all values Cronbach Reliability (CR) 0.70 (reliable). Based on these data, it can be concluded that all latent variables in the indigenous group have good and proper indicators. The results of this analysis also show that the best indicator in shaping the latent

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### Table 1. Variable description.

| Dimension | Environmental Influences | Managerial Behavior | Organizational Demand | Personal Qualities | Excellent Leader |
|-----------|---------------------------|---------------------|-----------------------|-------------------|------------------|
| 01        | Strengthen international perspective in organization | Think about problems in detail | Make organizational decisions with employees | Be an initiator not just a follower | Learn how to improve performance |
| 02        | Have a multi-cultural orientation and approach | Think logically in problem solving | Give priority to long-term goals | Consistent when dealing with other people/employees | Make strategies to gain competitiveness between organizations |
| 03        | Recognizing social trends impacting work | Focus on task at hand | Share power with others/employees | Be practical | Manage work time effectively |
| 04        | Evaluating new technology | Instructing subordinates what to do | Adapting to changing working conditions | Remaining composed in a tense situation | Confident in dealing with work and employees |
| 05        | Recognizing problems and opportunities | Trusting employees who are given the responsibility to do a job | Act like a team member | Be reciprocated | Give recognition for good work |
| 06        | Studying the rules and laws that affect the work | Considering suggestions from subordinates | Adapting organizational structures and rules to practical realities | Treat employees as trusted people | Be honest |
| 07        | Use economic indicators for planning purposes | Hear and understand employee concerns | Focus on maximizing productivity with practical realities | Respect for the dignity of others/employees |
| 08        | Make decisions early and not too late |                          |                      |                  |
| 09        | Make work decisions faster |                          |                      |                  |
| 10        | Make decisions without depending on others |                          |                      |                  |

### Table 2. Goodness of fit index result (inner model).

| Goodness of fit Index | Cut of Value | Result     | Note          |
|-----------------------|-------------|------------|---------------|
| FIT                   | >0,500      | 0,518      | Model Good Fit|
| AFIT                  | >0,500      | 0,508      | Model Good Fit|
| GFI                   | >0,900      | 0,967      | Model Good Fit|
| SRMR                  | <0,080      | 0,282      | Model Marginal Fit|
exogenous construct on the variable (X1) is the indicator EI.6 (studying regulations and laws that have an impact on work). The Managerial Behavior (X2) variable is in the MB.3 indicator (focusing on the task at hand), while the best indicator in forming the Organizational Demand (X3) variable is OD.2 (giving priority to long-term goals). Likewise, on the Personal Quality variable (X4), the best indicator in shaping the latent exogenous construct is PQ.6 (treating employees as trusted and honest people).

Similarly, the results of the CFA analysis in the non-native group (Appendix 2) show that the Excellent Leader variables, all Loading factor values 0.50 (valid), and AVE values 0.50 (valid). Meanwhile, the results of the reliability calculation show that all Cronbach Reliability (CR) values 0.70 (reliable). Thus it can be concluded that all these latent variables have good and proper indicators. In detail, in order to find out the best indicators in shaping the exogenous latent construct, it is explained as follows. The best indicator in shaping the Environmental Influence (X1) variable is EI.6 (studying regulations and laws that have an impact on work). The best indicator in forming the Managerial Behavior (X2) variable is MB.2 (thinking logically in problem solving). While the best indicator in forming the variable Organizational Demand (X3) is OD.2 (giving priority to long-term goals). Likewise on the Personal Quality variable, the best indicator in shaping the latent exogenous construct is PQ.2 (consistent when dealing with employees).

Based on the results of the CFA analysis, it confirms that Hypothesis 1 is proven/accepted, where the variables that determine excellent leaders such as Personal Quality, Managerial Behavior, Organizational Demands, and Environmental Influences can be used to perceive the criteria for someone to be a superior leader.

4.3. Testing of structural model

The results of the GSCA analysis on the Structural Model of Indigenous Leaders (Appendix 3) presented in Table 3 and Figure 1 show that the Environmental Influence, Organizational Demand and Personal Qualities variables have a significant effect on the Excellent Leader variable. The critical value of the path coefficient and the CR value of the three variables are above the specified criteria, thus H2 is accepted. Meanwhile, in the Managerial Behavior variable, both the path coefficient value and the CR value are carried by the criteria, thus Hypothesis 2 is rejected, meaning that the X2 variable has no significant effect on the Y variable.

The results of the GSCA analysis on the Structural Model of Non-Indigenous Leaders (Appendix 4) presented in Table 4 and Figure 2 illustrate that the Environmental Influence, Managerial Behavior and Organizational Demand variables have a significant influence on the Excellent Leader variable. The critical value of the path coefficient and the CR value of the three variables are above the established criteria, thus Hypothesis 2 is accepted. Whereas in the Personal Qualities variable, both the path coefficient value and the CR value have a value carried by the criteria, thus Hypothesis 2 is rejected, meaning that the X4 variable does not have a significant effect on variable Y.

The results of confirmatory analysis and structural model analysis show that there are differences in perceptions between indigenous and non-indigenous ethnic groups of each variable of leadership excellence to excellent leadership. In the confirmatory analysis of the Managerial Behavior variable, the MB3 indicator was perceived better by the indigenous ethnic group in forming the X2 variable than the non-indigenous ethnic group who perceived MB2 as being better at forming the X2 variable. Likewise, in the Personal Qualities variable, PQ6 was perceived to be better in forming variable X4 by indigenous ethnic groups than non-indigenous ethnic groups who perceived PQ2 to be better at forming variable X4. Likewise, the results of the structural model analysis (GSCA analysis) show that the variable X1 has no significant effect on the indigenous group, while in the non-indigenous group the variable X4 has an insignificant effect. Meanwhile, on other variables, both indigenous and non-indigenous ethnic groups have a significant effect (Tables 3 and 4). Based on the results of the analysis, it can be concluded that Hypothesis 3 (there is no difference in perceptions underlying the leadership excellence of the indigenous and non-indigenous ethnic groups) is not accepted.

4.4. Testing of moderation effect

To analyze which of the two ethnic groups of leaders was able to moderate the four variables of leadership excellence against Excellent Leader, the Homologizer Type or Multi-group Moderation Test was conducted (Table 5). This test is carried out by dividing the Path Analysis into 2 groups and then testing its significance. Homologizer/MultiGroup Moderation test criteria are: If one of the 2 groups is declared significant, it can be concluded that the variable which is hypothesized to be a moderator is declared to be able to moderate. If none of the 2 groups is significant, then the variable which is hypothesized to be a moderator is declared unable to moderate. If the two groups are each declared significant, then an advanced test is carried out, namely a comparison test of the two path coefficients as a moderating effect with the Chow Test or known as the Fisher's Z test (FZ-test), with the test criteria being if Fcount > Ftable or p-value < 0.05, then the variable which is hypothesized to be a moderator is declared to be able to moderate.

Based on the results of the moderation test effect with Moderated Multigroup Analysis (MMA), it can be seen that the comparison of the two path coefficients is that both indigenous and non-indigenous ethnic groups are unable to moderate the effect of Environmental Influence (X1) on Excellent Leader (Y), where previously it was known that the two ethnic groups each was declared significant, so an advanced test was carried out, namely the path coefficient comparison test with the Chow Test (FZ-test). The results of the analysis showed that the FZ-test value was 1.284, with a p-value of 0.117 > 0.05 (not significant). So, it can be concluded that the ethnic group is not able to moderate variable X1 against variable Y.

Indigenous and non-indigenous ethnic groups are able to moderate the influence of the Managerial Behavior (X2) variable on Excellent Leader (Y). It can be shown that there is a difference in coefficient on the significance test of the two groups, where the p-value for the indigenous ethnic group = 0.369 > 0.05 (not significant), while the p-value for the non-indigenous ethnic group = 0.000 < 0.05 (significant). This shows that, the influence of Managerial Behavior (X2) is stronger on non-indigenous ethnic groups in increasing Excellent Leader (Y) than indigenous ethnicities (0.415 > 0.039), so that non-indigenous groups are able to moderate the influence of X2 on Y. Likewise Indigenous and

Table 3. Estimation results and hypothesis testing (indigenous group).

| Influence between Latent Variable | Path Coefficient | CR     | p-value | Conclusion   |
|----------------------------------|------------------|--------|---------|--------------|
| Exogenous Variable               | Endogenous Variable |       |         |              |
| Environmental Influence (X1)     | -> Excellent Leader (Y) | 0.248 | 6.66    | 0.000        | Significant  |
| Managerial Behavior (X2)         | -> Excellent Leader (Y) | 0.039 | 0.9     | 0.369        | Not Significant |
| Organizational Demand (X3)       | -> Excellent Leader (Y) | 0.091 | 2.28    | 0.023        | Significant   |
| Personal Qualities (X4)          | -> Excellent Leader (Y) | 0.616 | 20.99   | 0.000        | Significant  |
indigenous ethnic groups are able to moderate the influence of Organizational Demand (X3) on Excellent Leader (Y).

The path coefficient in the previous analysis showed that both indigenous and non-indigenous groups were each declared significant, so an advanced test was carried out, namely the path coefficient comparison test with the Chow test (FZ-test). The results of the analysis showed that the FZ-test value was 2.204, with a p-value of 0.000 < 0.05 (significant). Thus, it can be concluded that the ethnic variable is stated to be able to moderate. This is evidenced by the stronger influence of Organizational Demand (X3) on Non-Indigenous ethnicities in increasing Excellent Leader (Y) than Indigenous people (0.224 > 0.091). While the moderating effect of the ethnic variable on the influence of Personal Qualities (X4) on Excellent Leader (Y), it is known that there are differences in the significance test of the coefficients in the two ethnic groups, where the p-value in the indigenous group = 0.000 < 0.05 (significant). Whereas p-value for Non-Indigenous = 0.430 > 0.05 (not significant). This shows that the influence of Personal Qualities (X4) on Excellent Leaders is stronger in indigenous ethnic groups than non-indigenous (0.616 > 0.069).

Based on the results of the analysis presented, it shows that hypothesis 4 which states that ethnic factors are considered capable of moderating the four dimensions of leadership excellence can be accepted.

### Table 4. Estimation results and hypothesis testing (non-indigenous group).

| Influence between Latent Variable | Endogenous Variable | Path Coefficient | CR  | p-value | Conclusion   |
|----------------------------------|---------------------|------------------|-----|---------|--------------|
| Exogenous Variable | --> Endogenous Variable |                  |     |         |              |
| Environmental Influence (X1) | --> Excellent Leader (Y) | 0.280 | 2.37 | 0.018 | Significant |
| Managerial Behavior (X2) | --> Excellent Leader (Y) | 0.415 | 3.7  | 0.000 | Significant |
| Organizational Demand (X3) | --> Excellent Leader (Y) | 0.224 | 3.49 | 0.001 | Significant |
| Personal Qualities (X4) | --> Excellent Leader (Y) | 0.069 | 0.79 | 0.430 | Not significant |

*Figure 1. The result of the GSCA analysis of the hypothesis model (Indigenous Group).*

*Figure 2. The result of the GSCA analysis of the hypothesis model (Non-indigenous Group).*
Behavior and Organizational Demand have a significant relationship with the construct of Excellent Leadership. This means that these three dimensions are very suitable for measuring the construct of Excellence in Leadership for organizational leaders in the Malang Raya area. Meanwhile, Personal Qualities have an insignificant relationship with Leadership Excellence. Thus, this variable is less relevant for measuring the construct criteria for Excellence in Leadership. Thus, the results of this analysis reinforce Hypothesis 2 that there are variables that are more dominant/important in explaining the construct of Excellence in Leadership.

The results of this study support the research of Selvarajah and Denny (2008) which explains that Managerial Behavior is the most important dimension of an Excellent Leader for Chinese managers, while Organizational Demand is the most important dimension in explaining the criteria for an Excellent Leader for Indian managers. This study is also in line with the thought of Mencius (in Selvarajah and Denny, 2008) who suggested that Chinese managers consider the Managerial Behavior variable more. This study also corroborates Sinha’s (1980) description of effective leadership styles in the Indian context which explains that the Organizational Demand dimension is the most important dimension for Indian managers. Likewise, the results of Aldulaimi and Sailan, 2012 study of Arab leaders show that Managerial Behavior (involving employees in making decisions) is the most dominant managerial behavior.

Whereas for the indigenous leader group, the results of the GSCA analysis showed that the Environment Influence, Organizational Demand and Personal Quality variables had a significant relationship. These results confirm that these three variables are very suitable for measuring the construct of Excellence in Leadership. In the Managerial Behavior variable, the relationship is not significant. This proves that MB is not very suitable to measure the Excellence in Leadership construct. The results of this analysis prove that Hypothesis 2 is accepted. This study supports the results of Abdullah’s (2001) study which explains that the Personal Qualities variable is a criterion that is in line with indigenous managers in Malaysia.

The results of this study are in line with studies (Goodfellow 1997; Mansour 2004) which state that cultural values underlie Indonesian leaders who prefer to coordinate tasks in a diplomatic style, treat employees as trusted people and respect employee dignity as characteristics of a leader who has good Personal Qualities. However, the results of this study are not in line with Selvarajah and Denny’s (2008) research where Managerial Behavior has a greater impact on the perspective of Malaysian indigenous managers in explaining an Excellent Leader, because in this study Managerial Behavior is not a criterion that can measure the construct of Excellence in Leadership.

The results of this study can explain that leaders in Indonesia, especially indigenous leaders, are not a typical group who believe that the Managerial Behavior dimension is more important than the other three dimensions. However, it must be acknowledged that this study shows...
that personal qualities are not a dimension that is considered important for non-indigenous leadership groups. The factors that shape the behavior of leaders in Indonesia, in the form of personality, organizational demands and the environment that are important, should be considered in the context of performance. Leaders in Indonesia come from different ethnic backgrounds, traditions, histories and social systems and are shaped by many religious values. The feeling of togetherness which is family oriented must be integrated into an organization. Good leaders demand loyalty and trust and ensure that the needs of their workers are met (Goleman, 2000). Leaders also need to realize that the motivation behind employees dedicating their full potential is to some extent inspired by the cultural values inherent in everyone.

The results of this study also indicate that there is a significant difference between indigenous and non-indigenous leaders in perceiving the dimensions of Excellent Leader towards the construct of Excellence in Leadership. This indicates that hypothesis 3 is not proven. The results of the Confirmatory Factor Analysis on the Managerial Behavior dimension, the indigenous leader group perceives that the focus on the objectives that are carried out is more important than the non-indigenous group who perceives logical thinking in problem solving. Whereas in the Personal Qualities dimension, indigenous leaders perceive that treating employees as trusted people is better than non-indigenous leaders who perceive that they are consistent when dealing with other employees. Likewise, in the GSCA analysis there are different perceptions between indigenous and non-indigenous groups of leaders. The influence of the Managerial Behavior variable on the Excellence in Leadership construct was not significant. Whereas in the non-indigenous leader group, the Personal Qualities dimension did not have a significant effect on the Excellent Leadership construct.

The results of this study reinforce the research of Selvarajah and Denny (2008) that among the ethnicities studied there are different perceptions of the dimensions ofExcellent Leader. Malaysian indigenous managers and Indian managers perceived that Organizational Demand was more important than other dimensions. Meanwhile, Chinese managers gave a higher assessment of the Managerial Behavior dimension. Anurit's (2012) study of indigenous Thai managers with expatriate managers is also in line with this study which explains that there are differences in perceptions between Chinese managers and Thai managers. Young Chinese managers consider the Environment Influence dimension more important, while older Chinese managers consider Organizational Demand more important than other dimensions. Meanwhile, Thai managers perceive Environment Influence as more important than other dimensions.

The results of this study also prove that the leader's ethnic background is a variable that is able to moderate the dimensions of Excellent Leader with the construct of Excellence in Leadership. The results of the Homologizer analysis show that ethnic groups (indigenous and non-indigenous leaders) are unable to mediate the effect of the Environmental Influence variable on the Excellence in Leadership construct. Meanwhile, the variables/dimensions of Managerial Behavior, Organizational Demand and Personal Qualities, ethnic groups (indigenous and non-indigenous leaders) can moderate the influence between the dimensions of Excellent Leaders and the construct of Excellence in Leadership, where groups of non-personal leaders have a stronger influence than indigenous leaders (Table 3).

The results of this study do not fully support the results of Selvarajah and Denny’s (2008) research, because in Selvarajah and Meyer’s research, ethnic perception was moderated by the influence of the dimensions Environment Influence, Managerial Behavior, Personal Qualities, and Organizational Demand. Whereas in this study, only three dimensions, namely MB, OD and PQ, can moderate the Excellent Leader dimension with the construct of Excellent in Leadership. The results of Anurit’s (2012) research on leaders in Thailand show that Thai indigenous leaders who have strong cultural factors such as non-confrontation and mutual respect can moderate the perceptions of Thai managers about an excellent leader. Selvarajah, Mayer and Davuth (2012) found that Cambodian ethnic managers can mediate the Organizational Demand dimension, especially in decision-making behavior, with their perceptions of Excellence in Leadership. With the results of the research presented, it can be concluded that leaders with different ethnicities are variables that can moderate the dimensions of Excellent Leader.

The important thing that needs to be underlined from this research is that cultural, historical, and social values contribute to how leaders control the management of the organization they lead with their leadership abilities. For example, understanding Indonesia’s geographic position which lies between two continents and two oceans is important in understanding cultural values that have an impact on increasing the values of excellence in leadership. The culture that lives and develops in Indonesia has contributed and even dominated the behavior of both private and government organizations. It cannot be denied that colonial influences such as social, economic and political structures, together with layers of religious influence, provide the background for understanding the socio-cultural aspects of Indonesia. It is in this context that leadership should be understood in a multicultural country like Indonesia. Understanding ethnic communities in Indonesia will provide a basis for understanding leadership in Indonesia.

Various studies related to leadership excellence use constructs developed by Selvarajah et al. (1995) such as in Malaysia, Thailand and Cambodia. Research on culture and leadership using the results of the GLOBE study and the dimensions of leadership developed by Hofstede has been widely studied in Indonesia, but no one has used superior leadership developed by Selvarajah et al. Therefore, the results of the study in various ASEAN countries illustrate that in order to create an advanced ASEAN to compete with economic forces in various other regions, it is necessary to have superior leaders to move their business organizations in the context of competition.

Research related to leadership excellence using constructs developed by Selvarajah et al. (1995) has been conducted in several ASEAN countries such as Malaysia, Thailand, and Cambodia. Research on culture and leadership using globe study results and leadership dimensions developed by Hofstede has been widely researched in Indonesia. But no one has researched the superior leadership construct developed by Selvarajah et al. Therefore, the results of this study will enrich the reference on excellent leadership in ASEAN countries. This illustrates that in order to realize ASEAN that is advanced and has the ability to compete with economic forces in various other regions, it takes the presence of superior leaders to mobilize business organizations in order to win the competition.

6. Conclusion

This study clearly shows that excellent human resources in Indonesia have an important role in the effort to realize national development resources in various fields (such as social, political, and economic). Human resources are also inseparable from cultural elements. The progress of national development and improvement of human resources is influenced by factors of various cultural values and ethnicities. Leadership development in Indonesia is both a right and an obligation that is directed based on the consideration of various elements of ethnicity, religion, race and inter-group (SARA) in Indonesia. This research highlights the development of cultural values of indigenous and non-indigenous leaders who are more closely related to ethnicity in influencing the behavior of leaders in leading their organizations.

This study focuses on the actions of both indigenous and non-indigenous representatives, though on a smaller scale, and only in the Malang Raya region (Malang City and Regency and the city of Batu). However, the contribution of the findings of this study will open up opportunities for larger-scale studies, especially in the sense of how local cultural values relate to national growth in all of its aspects. The analysis of the effect of cultural ideals on the actions of leaders of institutions is becoming increasingly important as Indonesia enters the vortex of
globalization, whether we know it or not, and whether we want or do not want to embrace it.

Declarations

Author contribution statement

Pieter Sahertian: Conceived and designed the experiments; Analyzed and interpreted the data; Wrote the paper.

Umiat Jawas: Performed the experiments; Contributed reagents, materials, analysis tools or data; Wrote the paper.

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Data included in article/supplementary material/referenced in article.

Declaration of interests statement

The authors declare no conflict of interest.

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