Examine the Effect of Generation in Leadership Process: A Cross-cultural Study in America and China

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Today's workforce is more diverse than ever. One diversity issue that has not been generally recognized is generational difference. Generation was examined as a moderator of the relationship between transformational leadership and its effectiveness in this study. The study also provides a cross-cultural comparison of the perception of leadership effectiveness in America and in China using a principal component analysis (PCA). The Americans are found to have higher levels of transformational leadership effectiveness than did the Chinese. The results report non-significant correlations between generation and transformational leadership effectiveness. This study broadens the still fragmentary knowledge of the conditions under which transformational leadership is likely to have more or less positive effects on employees' performance.

Keywords: Transformational leadership; Generation; Cross-Culture Study

Introduction

Today's workforce is more diverse than ever (Pitts & Recascino Wise, 2010; Jonsen et al., 2013). Realizing the potential of diversity and developing strategic plans that take advantage of this diversity will help companies to be competitive in the global economy (Jonsen et al., 2013). However, when discussing diversity factors (e.g., race, gender, ethnicity etc.), an important factor, difference in generations, is often misunderstood and even ignored.

In leadership research, generation and generation-related motivations are especially neglected variables. Generations originate from different values, attitudes, ambitious and mind-sets of people (Salabuddin, 2010; Zemke, Raines, & Filipczak 2013). According to Conger (2001), generations are a product of historical events that shape feelings about authority and institutions. Differences in the attitudes, values, and beliefs of each generation impact how each generation views leadership (Zemke et al., 2013). The lack of leadership studies on generational differences represents a significant gap in the literature (Zhao & Liu, 2006, Salabuddin, 2010).

The purpose of this study is to examine the role of generational differences on the leadership-effectiveness relationship and compare a Western culture (i.e. the United States) with an Eastern culture (i.e., China). This study contributes to the literature by providing a cross-cultural comparison of (1) the level of subordinates' perception of leadership effectiveness in different culture, and (2) the moderating effect of generation on the relationship between leadership and effectiveness perceived by the followers.

Transformational Leadership

Transformational leadership theory has attracted a significant amount of scholarly attention from across disciplines. This theory originated with the work of Burns (1978) and later was developed by Bass (1985, 1998) and others (Avolio & Bass, 1988, Antonoakis & House, 2002). The major premise of transformational leadership theory is the leader's ability to motivate followers to accomplish

more than they planned to accomplish (Krishnan, 2005). Employees sometime experience a disorienting dilemma when their original beliefs do not fit their expectations or make sense to them and they cannot resolve the situation (Poutiatine, 2009). Transformational leaders stimulate their followers to go beyond their self-interest and contribute to the achievement of organizational goals through interrelated behavior components such as charisma, inspiration, intellectual stimulation, and benevolence (Banks et al., 2016).

At the individual level, evidence reveals that transformational leadership is positively related to the subordinate's effort, job satisfaction, and the subordinate's organizational commitment (Ramachandran & Krishnan, 2009). Researchers also demonstrated that transformational leadership has a positive influence on empowerment (Dvir et al., 2002; Lok & Crawford, 2004), trust (Podsakoff et al., 1990; Liu, Siu & Shi, 2010), self-efficacy beliefs (Tichy & Devanna, 1986), and motivation (Bass, 1985; House & Shamir, 1993). Research results reveal that self-efficacy is positively related to transformational leadership as well (Waldman & Spangler, 1989).

At the organizational level, researchers have shown that transformational leaders affect organizational outcomes. The outcomes include organizational citizenship behavior/performance (Zeffane & Connell, 2003), organizational culture (Tucker & Russell, 2004), organizational vision (Hersey & Blanchard, 2007; Kouzes & Posner, 2006), organizational change (Yu, Leithwood, & Jantzi, 2002), and organizational learning and innovations (Herman & Mitchell, 2010).

Cultural Differences in Perception of Leadership Effectiveness

Leader's effectiveness has been a major concern of leadership researchers and practice for the past several decades (Yukl, 1989; Podsakoff et al., 1990). Many researchers tried to solve the mystery of leadership effectiveness in order to provide organizations with the knowledge of how to develop it in their leaders. Over time, researchers examined leadership effectiveness and shed some light on the topic.

Yukl (2006) claims that most authors define leadership effectiveness as the consequences of the leader's actions for followers and other organizational stakeholders. From a different perspective, Bass and Avolio (1994) state that there is a distinction between effective leaders and successful leaders. According to them, successful leaders get their followers to follow them whereas

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effective leaders motivate and enable their subordinates to reach shared goals.

Leader effectiveness is often measured in terms of the leader's contribution to the quality of group processes, as it is perceived by followers and by outside observers (Yukl, 2006). According to Yukl (2006), a follower's perception is one of the indicators and another is the extent to which the leader's organizational unit performs its task successfully and attains its goals. Since people have different values and perceive effectiveness in different ways, several factors need to be considered when examining leadership effectiveness.

Leadership effectiveness is not only perceived differently from one person to another, but also from culture to culture. People from different cultures share the basic concepts but they view things from different perspectives. In some cultures, one might need to take a strong decisive action in order to be seen as an effective leader, whereas in other cultures consultation and a democratic approach may be a prerequisite (Den Hartog, House, Hanger, & Ruiz-Quintanila, 1999).

Culture often refers to collectivities in which the members share several psychological commonalities such as assumptions, beliefs, values, interpretations of events, meanings, social identities, motives, and abide by a set of shared norms in a common manner (Hofstede, 2005). This definition is best suited to the discussion of leadership because it not only covers the conventional societal meaning of culture, but also covers the use of culture in a corporate sense. The word culture is usually reserved for societies, which are a social system "characterized by the highest level of self-sufficiency in relation to its environment" (Parsons, 1977, cited by Hofstede, 2001, p. 25). According to Hofstede, although a society may contain different cultural groups, these groups usually share certain cultural traits that make their members recognizable to foreigners as belonging to that society.

The issue requiring attention in this study concerns the influence of culture on leadership. Culture is crucial to understand leadership (Hofstede, 2005). Differences in culture could influence the emergence and effectiveness of leaders. Cultural assumptions and values about the nature and function of power and authority determine what is feasible for the leaders (Hofstede, 2005). The structuring of relationships, styles of interpersonal interaction, desirable and efficacious leader and subordinate characteristics, and the leadership situation, all entail different conceptualizations and enactments of any role akin to leadership (England & Lee, 1974).

Culture for leadership is what water is for fish. It may not be overtly obvious, but it is the element that defines employees' existence, self-awareness, and relationship with others (Hofstede, 2001). Managerial practices and behaviors that are legitimate and acceptable in one culture (or time period) may not be in another. Successful leaders often employ leadership styles consistent with the society's cultural values (Murphy & Reichard, 2012; Jackofsky, et al., 1988). Thus, the current study adopts Hofstede's (2001, 2005) culture value dimensions and identifies the role of these dimensions in shaping leadership.

Two of Hofstede's cultural dimensions that are particularly pertinent to comparisons between the United States and China regarding leadership effectiveness are individualism-collectivism and power distance (Hofstede, 2005). Individualism-collectivism is relevant to the leadership effectiveness perception because leadership involves both dyadic and group procedures whilst power distance is relevant because leadership is frequently involved with using power and authority, especially formal power.

Individualism-Collectivism

Individualism-Collectivism dimension describes whether the culture values individuals' goals or group goals (Hofstede, 1980). Individualism and collectivism in a society strongly affect the nature of the relationship between a person and the organization to which he or she belongs. Cultures that are collective exhibit more emotional dependence on the team, and are more conforming, orderly, traditional, and team-oriented (Hofstede, 2001). Individualistically oriented cultures value autonomy, self-interest, and performance. In contrast, collective cultures value group harmony, cooperation, and satisfaction (Javidan & House, 2001).

Individualism-collectivism is studied widely in leadership research in Western culture. Transformational leaders encompass role modeling, handling of personal relationships with subordinates, duty orientation of the manager, and critical thinking (Ramachandran & Krishnan, 2009). They seek to raise followers' awareness of the significance of designated outcomes and get them to transcend their self-interests for the good of the organization (Bass, 1985). Transformational leaders have a direct impact on followers' empowerment, morality, and motivation. Empowered employees are more likely to reciprocate with higher levels of commitment to their organization (Ramachandran & Krishnan, 2009; Lok & Crawford, 2004). The leadership process fits well with the individualistic value of autonomy, self-interest, and performance.

For collectivistic culture, Redding (2013) has pointed out that managerial leadership among Chinese is primarily transactional, not transformational. Since transformational leadership is more contemporary than traditional transactional theories of leadership, one might expect it to differ sharply from traditional theories of Chinese leadership, such as paternalistic leadership. In addition, many researchers stated that trust is an essential element in relationship that transformational leaders have with their followers (Podsakoff et al., 1990, Zeffane & Connell, 2003, Casimir et al., 2006). However, followers' trust in their leaders may be somewhat limited with collectivists compared to individualists because collectivists are less likely to regard the leader as the one he/she belongs to. Leadership effectiveness, is therefore less likely to be perceived by collectivists than by individualists.

Power Distance

The dimension of power distance is defined as the degree to which members of a culture expect power to be distributed unequally (Hofstede, 1980). Power distance determines how a community stratifies its individuals and groups with respect to power, authority, prestige, status, wealth, and material possessions (Javidan & House, 2001). Cultures that are low on power distance tend to be more egalitarian and prefer participatory decision making, while cultures that are high on power distance typically have more layers and the chain of command is felt to be more important (Hofstede, 2001).

Power distance is directly related to leadership. It has an impact on subordinates' expectations and preferences regarding leadership behavior such as whether the leader should provide more guidance, as well as on acceptable or typical patterns of leadership style. People from different cultures associate different characteristics and behaviors with the leadership role and power distance is one of the factors shaping such images of effective leadership (Lord & Maher, 2002).

According to Hofstede (2001), in high power distance cultures such as China, there is a centralized decision structure. Subordinates are expected to be told what to do and the hierarchy reflects the existential inequality between higher and lower levels employees. Subordinates are more reluctant to challenge their supervisors and

more fearful of expressing disagreement with their leaders (Adsit, London, Crom & Jones, 1997). As people want and expect more guidance in societies with greater power distance, it has an impact on subordinates' expectations and preferences regarding leadership.

Den Hartog and Dickson (1999) suggested that there is a positive relationship between power distance and paternalistic leadership as the culture with high power distance reflects strong family bonds and a sense of fatalism, and an expectation for organizations to take care of their workers as well as the workers' families. On the contrary, however, because the structure emphasizes centralized authority and leadership, stability, and predictability, it creates barriers for the emergence of transformational leaders (Shao & Webber, 2006). Several studies have demonstrated the negative relationship between power distance and transformational leadership (Shao & Webber, 2006; Kuchinke, 1999; Smith, Peterson, & Schwartz, 2002).

In total, the proceeding discussion on individualism-collectivism and power distance leads us to the proposition that:

H1: Subordinates from the United States will perceive a higher leadership effectiveness than those from China.

Generation

Generation refers to a cluster of people born in the same year or in a certain period of time, who share similar values, attitudes, and life styles shaped by the particular epoch, thereby representing the characteristics of that specific era (Rogler, 2002). Different generations have different symbols and distinctive characteristics that attach them to the people in the same generation and differentiate them from people in other generations. These common experiences tie a generation's members together by sharing similar emotions, attitudes, preferences, dispositions, and a set of embodied practices, which can be reflected in the way they view work and the workplace (Schewe & Evans, 2000, Salabuddin, 2010)

Differences in attitudes, values, and beliefs of each generation impact how leadership is viewed (Zemke et al., 2013). The differences require all leaders to have style that is broad and flexible. Some examples include: a structured style for Veterans that emphasizes delegation, an individualist style for Baby Boomers that values self-expression, an excitement style for Generation Xers that like change agents, and a team style for Nexters who interested in accomplishing greater societal and corporate goals (Andert, 2011; Meredith et al., 2002).

Each generation develops a unique persona that translates into a mind-set with different emotions, attitude, beliefs, preferences, and embodied activities. Generational differences should be recognized by leaders and their organizations as an important part of the diversity mix as race, religion and gender are (Arsenault, 2003). To trust their leaders, followers need to know that leaders will be honest about their values, ethics, and standards (Balda & Mora, 2011; Kouzes & Posner, 2006). The mind-set creates differences in how a person in a certain generation leads or how he or she prefers to be led (Arsenault, 2003).

The Moderating Effect of Generation

Social scientists differ somewhat on how to name and segment generations. We used Zemke et al.'s (2013) categorization for generations in U.S. and Zhao and Liu's (2006) generation segmentation for generations in China. These two categorizations were selected because they segmented generations in compatible years and they both include a young generation. Table 1 gives the birth years of each generation for both categorizations.

As most of people in the Traditional Generation and Veterans Generation already have retired, and the Zhiqing Generation as well

as Baby Boomer are also close to retirement age, the rest of generations represent the majority in the American and Chinese workforces. Accordingly, we focus on the two younger generations of each country but use the global term "Generation X" and "Generation Y", respectively. Generation X encompasses the group of people born between 1965 and 1979, whereas Generation Y refers to the group of people born between 1979 and 1994 (Dembo, 2000; Ellen, Kerwin, & Kerwin, 1999).

Conger (2001) interviewed with business leaders of different generations and found out that the differences in attitudes, values, and beliefs of each generation affect how people in each generation perceive the leadership effectiveness. Researchers found that in the U.S., Generation X tends toward a directive style that is simple and clear. Within each organization, authority was highly respected and there was a clear well-defined hierarchy with very formal, military-like relationship (Zemke et al, 2013; Conger 2001).

Generation Y likes leaders who pull people together and wants leaders to have expertise in leadership abilities such as challenge, inspire, and model than the old generation (Zemke et al., 2013; Conger 2001). Some transformational leadership behaviors, such as encompassing role modeling, handling of personal relationships with subordinates, duty orientation of the manager, and critical thinking (Deichmann & Stam, 2015; Ramachandran & Krishnan, 2009), therefore, greatly satisfy Generation Y in the U.S..

In China, traditional Chinese values focus on family, relationship, achievement, endurance, and sacrifice of one's self to the group (Garrott, 1995). Individuals in Generation X grew up with the belief that loyalty to the leader and institutions would be rewarded. They respect authority and hierarchy. Questioning authority is unacceptable (Casimir et al., 2006). Under these circumstances, transformational leadership is unlikely to engender positive effects.

On the contrary, while Generation Y still holds up traditional values and takes for granted that hierarchy exists, they do not comply with hierarchic rules as does Generation X in China. Different from previous generations who rarely voice opinions in meetings, individuals in Generation Y are full of confidence in speaking and interacting with their leaders (Zacher, Rosing, Henning, & Frese, 2011). According to Gallo (2008), for Generation Y, the good boss is the one who stays in the background, teaching through small hints, the one who is highly available to his/her employees and has trust in them, and knows how to share his/her goals and skills with them. Obviously, transformational leaders fit better with Generation Y than with Generation X.

Hence, we posit:

H2: The generation moderates the relationship between leadership and its effectiveness such that positive relationship between transformational leadership and its effectiveness is stronger for Generation Y than for Generation X.

Method

Sample

Survey research is a method used to gather data from respondents and data was collected from 154 American and 50 Chinese full-time employees who worked in a range of occupations. We used several MBA class students in southern part of America to distribute the survey questions. In China, we recruited our friends to reach respondents in different provinces. The respondents were notified in a letter that by returning the survey, they were giving their consent to participate in the study. The survey consisted of 38 questions. For Chinese employees who use Chinese version survey, questionnaires originally written in English were translated into Chinese, and then

Table 1 Birth Years of Each Generation

Zemke et al., (2000)		Zhao & Liu (2006)	
Generations	Birth years	Generations	Birth years
Veterans	1922-1943	Traditional Generation	1940-1950
Baby Boomer	1944-1960	Zhiqing Generation	1950-1960
Generation Xers	1961-1980	Open Generation	1960-1980
Generation Nexters	1981-2000	Only-one Generation	1980-1990

Source: Adapted from Zemke et al. (2000) and Zhao & Liu (2006)

checked by translation back into English to ensure conceptual consistency. The body of the survey includes two sections. The first section is comprised of demographic information questions such as gender, age, education, and organizational tenure, etc. In the second section, respondents were asked to give opinions about transformational leadership characteristics of their current managers, and their perceptions of leadership effectiveness.

No sanctions or incentives were used to encourage participation, nor were any applied if the participants declined or withdrew from the study. No information regarding participants was communicated to their respective organizations. Confidentiality of data was maintained at all times and identification of individual named responses were not available. The response rate was 86%. The total 254 responses represent a variety of organizations across different industries such as manufacturing, retail, construction, service, and trading. The average length the employees work for the firm is 4.8 years. Of the employees, 57.35% were women and 42.65% were men. 33.82% have a high school diploma, 26.96% have an associate's degree or technical certificate, and 32.84% have a Bachelor's degree.

Measures

We adapted the measurement of transformational leadership developed by Podsakoff et al. (1990) and identified four components after exploratory factor analysis. The four components consist of four key leadership behavior: identifying and articulating a vision, fostering the acceptance of group goals, encouraging intellectual stimulation, and providing an appropriate model and individualized support. All items were measured on a 7-point Likert scale ranging from 1-strongly disagree to 7-strongly agree. Consistent with previous research, the score for the transformational leadership scale was calculated by summing the points across all items (Chen & Fah, 1999, Zhang, Cao & Tjosvold, 2011). Zhang et al. (2011) verified that Cronbach's alphas for the four dimensions of transformational leadership ranged from .76 to .93, and the alpha for the full transformational leadership scale was .96.

Leadership effectiveness was evaluated by using subordinates' perceptions. As this study focuses on the relationships between leaders and their subordinates, the subordinates, as direct recipients of their leaders' behaviors, provide an appropriate source of information on their leadership effectiveness (Hogn, Curphy, & Hogan, 1994; Yukl, 2006). Scales for leadership effectiveness were borrowed and adapted from previous research. Item 1 is from Chen and Farh (1999) and the remaining four items are from Chen and Tjosvold (2005). The study employed a 7-point scale from 1-*strongly disagree* to 7-*strongly agree* as scale anchors. The total scale was calculated by summing up all the points across five items. Generation is a categorical variable having two categories: Generation X and Generation Y. There is one question in the demographic section of

the questionnaire, which asks about the respondent's age. Generation refers to individuals born from 1965 to 1979. Generation Y refers to individuals born from 1980 to 1994.

Previous research indicates that individual perception of leadership effectiveness differs by gender, educational level, length of service in an organization, and the size of the company (Farh & Cheng, 2000; Pellegrini & Scandura, 2008). To enhance the homogeneity of the sample and to control for some external factor that might affect the relationship being studied, it is important to control for them.

Results

To test hypothesis 1, we conducted a principal component analysis (PCA). The purpose of this is to find few representative factors which can capture most of the variabilities of the entire data set. We found four components that could capture 71.3% of the variabilities. Among them, the first component by itself captured more than 55% variability of the data, and the fourth one captured around 3.5% of the variability. With this, adding more factors were not necessary.

The first component captures the essence of transformational leadership quality in the supervisor. PCA test indicates the U.S. has a higher value compared to China (Mean for US= -0.226, Mean for China = -0.695). A t test was conducted and reported the significant difference between the U.S. and China (t-value = 2.455, p = 0.015). Even with using the median, the difference can be clearly seen. The negative mean of the values of the component is because of the negative signs of the loadings. The sign indicated the direction of this component relative to the other. It does not mean lower value or having negative impact.

The second component is essentially related to supervisors' treatment of their subordinates. The U.S. has a higher value compared to China for this component (Mean for US = 1.341, Mean for China = -0.405). The t test on the difference between the U.S. and China is significant (t-value = 3.38, p = 0.001). The third component is essentially related to how much supervisors push their subordinates to be innovative and the fourth component captures supervisors' individual support and performance expectations for subordinates. Their t-test results supported the significant difference (third component: t-value = 6.466, p < 0.001: fourth component: t-value = 4.177, p < 0.001). Even with the using of median, the difference can be clearly observed. Table 2 summarizes the results of these four components.

Overall, these tests show the support for hypothesis 1. Employees in the United States rate their supervisors higher in their transformational leadership ability than their counterparts in China.

To test hypotheses 2, we performed a hierarchical regression analysis with mean-centered predictor variables (Cohen et al., 2003). The hierarchical regression consists of three steps: 1) enter the control variables in Block 1 of 3; 2) enter the main effect variables, transformational leadership and moderator variable, generation in

block 2 of 3; 3) add the interaction term of transformational leadership and generation in Block 3 of 3. The change in R^2 between step 2 and step 3 was examined to determine whether the moderator was significant. Table 3 shows the results.

Hypothesis 2 states that generation moderates the relationship between transformational leadership and effectiveness, such that the positive relationship between transformational leadership and effectiveness is stronger for Generation Y than for Generation X. In step 2, results show that transformational leadership significantly predicted effectiveness (β =.865 p<.001). The change in R^2 after adding the interaction variable in step 3 was not significant (ΔR^2 = .000); therefore, hypothesis 2 is not supported.

Discussion

Is transformational leadership more effective when it is provided to older generations than to younger generations? Will culture impact the perception of the leadership effectiveness? This study contributes to the growing literature on transformational leadership by focusing on a previously unexamined moderator. This study also added on leadership by way of investigating cultural differences in perception of the effectiveness of transformational leadership.

The key finding in this research is that culture may need to be taken into account in research dealing with leadership effectiveness. The Americans reported higher levels of transformational leadership effectiveness than did the Chinese. As mentioned earlier, this

Table 2 Statistics Summary of the Four Components

	Component 1		Component 2		Component 3		Component 4	
	-2.3E-13		-1.7E-13		6.76E-14		1.16E-14	
Mean	US	China	US	China	US	China	US	China
	-0.226	0.695	1.341	0.405	-0.170	0.524	0.131	-0.405
	0.143		-0.095		0.200		-0.115	
Median	US	China	US	China	US	China	US	China
	-0.675	0.678	-0.020	-0.341	0.027	0.545	0.046	-0.593
	3.576		1.299		1.095		0.900	
Standard Deviation	US	China	US	China	US	China	US	China
	4.020	1.360	1.401	0.795	1.198	0.340	0.906	0.755
	-6.807		-3.850		-3.454		-2.076	
Minimum	US	China	US	China	US	China	US	China
	-6.807	-2.401	-3.849	-2.062	-3.454	-0.301	-2.076	-1.986
	9.600		4.817		4.297		3.207	
Maximum	US	China	US	China	US	China	US	China
	9.601	4.868	4.817	1.447	4.297	1.312	3.207	1.418

Table 3 Results of Moderation Test for H2

Steps and variable	B	β	R2	ΔR2
Step 1				
Gender	.82	.05		
Years Work for the Company	-.13	-.10		
Size of the Company	.00	.11		
Education	.21	.04		
Step 2			.75*	
Transformational Leadership	.29	.87		
Generation	-.33	-.02		
Step 3			.75	.00
Transformational Leadership	.29	.87		
Generation	-.33	-.02		
Transformational Leadership x Generation	-.00	-.01		

* p<.001

finding might be due to a tendency in cultures that are high in power distance and collectivistic (e.g., China) to expect more guidance from their leaders and less trust to their leaders.

These results highlight the importance of considering the cultural settings within which leadership is enacted. Therefore, the assumption that the certain types of leadership practices will be universally most effective is questionable. It might be the case that in some culture settings (e.g., China) performance is driven by some factors such as hierarchical and authority structures, social rules for compliance, and reciprocal relationships. Examining these hitherto unexplored factors could yield further important insights into the conditions under which transformational leadership is likely to have the most advantageous effects on employees' performance. Moreover, it could identify an aspect that secures consideration in figuring out an optimal fit between a leader's behaviors and his or her subordinates.

Another purpose of this study was to examine the moderate effect of generation on the relationship between transformational leadership and effectiveness. Results indicate hypotheses 2 is not supported. It is important to note, however, that the results may be because of an insufficient sample size; larger sample sizes yield smaller p-values (Frazier et al., 2004). It could also be possible due to unequal numbers of participants for different levels of a categorical variable (86 for Generation Y and 118 for Generation X). If sample sizes are unequal across groups (154 American and 50 Chinese employees), power can be reduced (Frazier et al., 2004). In addition, the contextual factor could influence the process of leadership effectiveness. If the research contexts were universal (e.g. manufacturing), the moderating effects were probably observed.

Another possible explanation for this might be because of the samples used in this study. Two thirds of the samples do not hold a college degree and are engaged in blue-collar occupations. It could be argued that some aspects of transformational leadership such as intellectual stimulation may be more relevant to problem-solving jobs such as engineers or computer programmers rather than manual laborers, say, production workers.

Limitations and Conclusions

The current research has several limitations that need to be pointed out. First, relatively small samples and the comparability and representativeness of the organizations might be an obstacle to extrapolating the findings of a cross-cultural study like this. For instance, majority of the samples from America are categorized in Generation Y while majority of the samples from China are categorized in Generation X.

Second, numerous factors such as organizational culture, job design, and other demographic variables may influence the leadership-effectiveness relationship. For instance, a bureaucratic organizational culture might constrain the effectiveness of transformational leadership at a higher level than an organic organizational culture. In addition, another cultural dimension, long-term vs short-term orientation, shows a big difference between the U.S. and China (Wang et al., 2016). Inclusion of this dimension would substantiate the conclusions of this study.

Another limitation to the study deals with the issue of response bias and reliability that may occur with the use of self-report surveys. However, to minimize these effects, the survey questionnaires have been proofed by academicians and practitioners and distributed to manufacturing managers who have comprehensive knowledge about their companies.

In conclusion, the present study contributes to extend leadership research by examining the culture impacts on perception of leadership effectiveness. This study has important implications for managers who work in different cultural settings. Most importantly, the paper attempts to fill the gap in this field by investigating how the generation moderates the relationship between transformational leadership and its effectiveness. This part is usually ignored when discussing diversity factors. This paper broadens understanding about leadership and increases understanding of how subordinates evaluate leader's effectiveness.

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