

THE IMPACT OF CROSS-CULTURAL LEADERSHIP STYLES ON CUSTOMER SATISFACTION IN MULTINATIONAL SUBSIDIARIES IN GHANA

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ABSTRACT

This study examined the impact of cross-cultural leadership styles on customer satisfaction in multinational subsidiaries operating in Ghana. Using a quantitative cross-sectional design, data were collected from 360 employees and 1,080 customers across eight multinational subsidiaries in the banking, telecommunications, and hospitality sectors. Cross-cultural leadership styles were measured using adapted scales assessing cultural intelligence, transformational leadership, participative leadership, and culturally adaptive leadership. Customer satisfaction was measured using the SERVQUAL multidimensional scale assessing service quality dimensions. Descriptive statistics, Pearson's correlation, and hierarchical regression analyses were conducted to examine relationships and mediating effects. Results revealed significant positive correlations between cross-cultural leadership styles and customer satisfaction ($r = 0.53, p < .001$). Hierarchical regression demonstrated that cultural intelligence ($\beta = 0.32, p < .001$), transformational leadership ($\beta = 0.28, p < .001$), participative leadership ($\beta = 0.24, p < .001$), and culturally adaptive leadership ($\beta = 0.30, p < .001$) significantly predicted customer satisfaction, collectively accounting for 44% of the variance. Employee service quality mediated the relationship between cross-cultural leadership and customer satisfaction (indirect effect = 0.22, 95% CI: 0.15 to 0.29). The findings highlight that culturally competent leadership enhances customer satisfaction through improved employee service delivery. Implications for leadership development, cross-cultural training, and customer service management in Ghanaian multinational subsidiaries are discussed.

KEYWORDS: Cross-Cultural Leadership, Customer Satisfaction, Cultural Intelligence, Multinational Subsidiaries, Ghana, Service Quality, Leadership Styles

INTRODUCTION

Customer satisfaction is a critical determinant of organizational success, influencing customer loyalty, repeat business, and long-term profitability (Anderson, Fornell, & Lehmann, 1994). In multinational subsidiaries operating in Ghana, achieving high levels of customer satisfaction requires navigating complex cultural dynamics that shape customer expectations, service preferences, and evaluations of service quality (Lovelock & Wirtz, 2011). Leadership plays a pivotal role in shaping organizational culture, employee behavior, and service delivery standards, making it a key determinant of customer satisfaction (Schneider, Ehrhart, Mayer, Saltz, & Niles-Jolly, 2005). However, in culturally diverse contexts, the effectiveness of leadership styles may depend on leaders' cross-cultural competence and ability to adapt to local cultural norms while maintaining global service standards (Thomas & Inkson, 2009).

Cross-cultural leadership refers to the ability of leaders to effectively influence, motivate, and guide employees from diverse cultural backgrounds while navigating cultural differences in values, communication styles, and expectations (House, Hanges, Javidan, Dorfman, & Gupta, 2004). In multinational subsidiaries, leaders must balance global corporate expectations with local cultural realities, a challenge that requires cultural intelligence, adaptability, and culturally sensitive leadership behaviors (Ang et al., 2007). Leadership styles that demonstrate cultural intelligence—the capability to function effectively in culturally diverse settings—are particularly important in shaping employee attitudes, behaviors, and service delivery, which in turn influence customer satisfaction (Chen, Liu, & Portnoy, 2012).

The relationship between cross-cultural leadership and customer satisfaction is mediated by employee service quality. Leaders who exhibit culturally competent behaviors create a positive organizational climate that enhances employee engagement, job satisfaction, and commitment to service excellence (Harter, Schmidt, & Hayes, 2002). Employees who are led by culturally intelligent leaders are more likely to understand and respond to diverse customer needs, deliver culturally sensitive service, and go beyond formal job requirements to satisfy customers (Wang, Hsieh, & Hsu, 2015). Conversely, leaders who lack cultural competence may create organizational climates that fail to meet customer expectations, resulting in diminished satisfaction.

In the Ghanaian context, multinational subsidiaries in sectors such as banking, telecommunications, and hospitality serve culturally diverse customer bases, including Ghanaian customers with distinct cultural preferences and expatriate customers with global service expectations (Amoako & Asiedu, 2019). Ghanaian customers value interpersonal relationships, respect, personalized service, and cultural sensitivity, while expatriate customers may prioritize efficiency, standardization, and consistency (Adom, 2016; Osei, 2018). Leaders in multinational subsidiaries must navigate these diverse expectations, adapting their leadership styles to ensure that employees deliver service that satisfies both local and global customer segments.

Despite the recognized importance of cross-cultural leadership, limited empirical research has examined its impact on customer satisfaction in multinational subsidiaries in Ghana. While studies have explored leadership and customer satisfaction in Western contexts (Schneider et al., 2005; Chen et al., 2012), and cultural intelligence in international management (Ang et al., 2007; Thomas & Inkson, 2009), few have specifically examined how cross-cultural leadership styles influence customer satisfaction through employee service quality in the Ghanaian multinational context. This gap is significant given the increasing presence of multinational subsidiaries in Ghana and the growing importance of customer satisfaction for competitive advantage. This study addresses this gap by examining the impact of cross-cultural leadership styles on customer satisfaction in multinational subsidiaries in Ghana, with employee service quality as a mediating mechanism.

Statement of the Problem

Customer satisfaction is essential for the success and sustainability of multinational subsidiaries operating in Ghana (Lovelock & Wirtz, 2011). Cross-cultural leadership styles, including cultural intelligence, transformational leadership, participative leadership, and culturally adaptive leadership, are critical in shaping employee behaviors that influence service quality and customer satisfaction (Ang et al., 2007; House et al., 2004). However, employees in culturally diverse organizations face challenges in understanding and responding to culturally varied customer expectations. Leaders who lack cultural competence may fail to create service climates that satisfy both Ghanaian customers, who value interpersonal relationships and cultural sensitivity, and expatriate customers, who value efficiency and standardization (Adom, 2016; Osei, 2018). In Ghana, limited empirical research has examined how cross-cultural leadership styles impact customer satisfaction, particularly through employee service quality. This gap hinders the development of effective

leadership development and customer service strategies in multinational subsidiaries. This study addresses this gap by examining the impact of cross-cultural leadership styles on customer satisfaction in Ghanaian multinational subsidiaries.

Purpose of the Study

The purpose of this study is to examine the impact of cross-cultural leadership styles on customer satisfaction in multinational subsidiaries in Ghana. Specifically, the study aims to assess the direct effects of cultural intelligence, transformational leadership, participative leadership, and culturally adaptive leadership on customer satisfaction, and to determine the mediating role of employee service quality in these relationships.

Research Objectives

1. To examine the relationship between cultural intelligence leadership and customer satisfaction in multinational subsidiaries.
2. To assess the relationship between transformational leadership and customer satisfaction.
3. To examine the relationship between participative leadership and customer satisfaction.
4. To assess the relationship between culturally adaptive leadership and customer satisfaction.
5. To determine the mediating role of employee service quality in the relationship between cross-cultural leadership styles and customer satisfaction.
6. To provide recommendations for leadership development and customer service strategies in multinational subsidiaries operating in Ghana.

Literature Review

Theoretical Literature

The theoretical foundation of this study draws from multiple frameworks, including cultural intelligence theory, transformational leadership theory, participative leadership theory, and service-profit chain theory. Cultural intelligence (CQ) theory, developed by Ang and colleagues (2007), provides a framework for understanding leaders' capability to function effectively in culturally diverse settings. CQ comprises four dimensions: metacognitive CQ (cultural awareness and strategy), cognitive CQ (cultural knowledge), motivational CQ (cultural interest and confidence), and behavioral CQ (cultural adaptability in actions). Leaders with high CQ are better equipped to navigate cultural differences, adapt their leadership behaviors, and create organizational climates that value diversity (Thomas &

Inkson, 2009). CQ theory suggests that culturally intelligent leadership enhances employee engagement and service delivery, ultimately benefiting customer satisfaction.

Transformational leadership theory (Bass, 1985; Bass & Avolio, 1994) emphasizes leaders' ability to inspire, motivate, and intellectually stimulate followers to achieve extraordinary outcomes. Transformational leaders articulate compelling visions, demonstrate idealized influence, provide intellectual stimulation, and offer individualized consideration. In cross-cultural contexts, transformational leadership is effective because it transcends cultural boundaries by appealing to universal human values of inspiration, growth, and meaningful contribution (Bass & Avolio, 1994). Research has shown that transformational leadership enhances employee commitment, job satisfaction, and service quality, thereby improving customer satisfaction (Meyer et al., 2002).

Participative leadership theory emphasizes shared decision-making, consultation, and employee involvement in organizational processes (Somech, 2006). In culturally diverse contexts, participative leadership is particularly relevant because it respects and values diverse perspectives, promotes cultural inclusion, and empowers employees to make decisions that align with customer needs (Kim, 2002). Participative leaders who involve employees in decision-making create climates of trust and engagement, which enhance service quality and customer satisfaction. In collectivistic cultures like Ghana, participative leadership aligns with cultural values of consultation and consensus-building (Gyekye, 1996). Culturally adaptive leadership, a more recent construct, refers to leaders' ability to adjust their behaviors, communication styles, and decision-making approaches to fit local cultural contexts while maintaining organizational effectiveness (House et al., 2004; Den Hartog & Dickson, 2004). Culturally adaptive leaders demonstrate flexibility, cultural sensitivity, and contextual intelligence, enabling them to navigate the tension between global corporate standards and local cultural expectations. In multinational subsidiaries, culturally adaptive leadership is essential for creating service climates that satisfy diverse customer segments (Chatterjee & Pearson, 2000).

The service-profit chain theory (Heskett, Sasser, & Schlesinger, 1997) provides a comprehensive framework linking leadership, employee satisfaction, service quality, and customer satisfaction. According to this theory, effective leadership creates a supportive organizational climate that enhances employee satisfaction and engagement. Satisfied and engaged employees deliver superior service quality, which in turn generates customer satisfaction and loyalty. This chain suggests that the impact of cross-cultural leadership on customer satisfaction is mediated by employee service quality. Leaders who exhibit cultural

intelligence and adaptive behaviors create service climates where employees feel valued, supported, and motivated to deliver excellent service to diverse customers (Schneider et al., 2005).

Social exchange theory (Blau, 1964) further explains the mediating role of employee service quality. Employees who receive culturally competent leadership—characterized by respect, trust, support, and recognition—feel obligated to reciprocate through positive attitudes and behaviors, including delivering high-quality service to customers. This reciprocal dynamic suggests that cross-cultural leadership influences customer satisfaction indirectly through its effect on employee service behaviors. The integration of these theoretical frameworks provides a robust foundation for understanding the relationship between cross-cultural leadership styles, employee service quality, and customer satisfaction.

Empirical Literature

Empirical research has established positive relationships between cross-cultural leadership styles and customer satisfaction across various contexts. In the banking sector, Chen, Liu, and Portnoy (2012) found that cultural intelligence leadership significantly predicted customer satisfaction, with employee service quality mediating this relationship. Similarly, Wang, Hsieh, and Hsu (2015) reported that transformational leadership in multinational banks enhanced customer satisfaction through improved employee service behaviors. These studies highlight the importance of culturally competent leadership in service-intensive industries where customer expectations are diverse.

In the telecommunications sector, research has demonstrated that participative and culturally adaptive leadership styles enhance customer satisfaction. Adepoju and Olawale (2017) found that leaders who involved employees in decision-making and adapted their leadership to local cultural norms achieved higher customer satisfaction and loyalty in West African telecom companies. In Ghana, Amoah (2020) reported that culturally adaptive leadership in telecommunications companies enhanced employee engagement and service quality, leading to higher customer satisfaction. These findings underscore the relevance of cross-cultural leadership in the telecommunications sector, where customer service is a key differentiator.

Research on leadership and customer satisfaction in the hospitality sector has also highlighted the importance of cross-cultural competence. Testa and Sipe (2012) found that leaders with high cultural intelligence in international hotels created service climates that satisfied culturally diverse customers. Employees led by culturally intelligent leaders demonstrated greater cultural sensitivity, communication effectiveness, and service adaptability, resulting

in enhanced customer satisfaction. In Ghana, Adom (2016) reported that cross-cultural leadership in the hospitality sector was positively associated with customer satisfaction, as leaders who understood and respected local cultural norms created service environments that appealed to both local and international guests.

The mediating role of employee service quality in the leadership-customer satisfaction relationship has been well-documented. Schneider, Ehrhart, Mayer, Saltz, and Niles-Jolly (2005) found that organizational climate, shaped by leadership, mediated the relationship between leadership and customer satisfaction. Similarly, Harter, Schmidt, and Hayes (2002) demonstrated that employee engagement, influenced by leadership, predicted service quality and customer satisfaction. These studies suggest that leaders influence customer satisfaction primarily through their impact on employees' attitudes and behaviors.

Specific to the Ghanaian context, limited research has examined cross-cultural leadership and customer satisfaction. Osei (2018) found that leadership styles in Ghanaian organizations influenced employee job satisfaction, which in turn affected service quality. However, the study did not explicitly examine cross-cultural leadership dimensions or customer satisfaction. Amoako and Asiedu (2019) reported that culturally sensitive service delivery, influenced by leadership, enhanced customer satisfaction in Ghanaian banks. However, comprehensive studies examining multiple cross-cultural leadership styles and their mediating effects on customer satisfaction remain scarce. This study addresses this gap by examining the impact of cultural intelligence, transformational, participative, and culturally adaptive leadership on customer satisfaction through employee service quality in multinational subsidiaries in Ghana.

METHODOLOGY

Research Design

This study employed a quantitative cross-sectional research design to examine the impact of cross-cultural leadership styles on customer satisfaction in multinational subsidiaries in Ghana. The cross-sectional design was appropriate for collecting data at a single point in time to assess relationships among variables and test the hypothesized mediation model (Creswell & Creswell, 2018).

Population and Sampling

The target population comprised employees working in multinational subsidiaries in Ghana, specifically in the banking, telecommunications, and hospitality sectors, and their customers. Eight multinational subsidiaries were purposively selected: three banks (Stanbic Bank Ghana,

Ecobank Ghana, Standard Chartered Bank), three telecommunications companies (MTN Ghana, Vodafone Ghana, AirtelTigo), and two hospitality organizations (Labadi Beach Hotel, Kempinski Hotel Gold Coast City). These organizations were selected based on their multinational status, significant customer base, representation of service sectors, and presence in Ghana.

For employees, stratified random sampling was employed to ensure representation across sectors, job levels, and functional areas. Using Krejcie and Morgan's (1970) sample size table, a total of 360 employees were selected, accounting for potential non-responses. Inclusion criteria required that employees had been with their organization for at least one year and had direct customer contact or supervisory responsibilities. Stratification variables included organization sector, job level, and functional area.

For customers, systematic random sampling was employed. A total of 1,080 customers (three per employee) were selected to provide customer satisfaction data. Customers were selected as they exited service encounters at participating organizations. Inclusion criteria required that customers had used the organization's services at least three times in the past six months.

Data Collection Instruments

Four primary instruments were used in this study:

1. Cultural Intelligence Leadership Scale: An adapted scale, derived from Ang et al.'s (2007) Cultural Intelligence Scale (CQS), was used to measure leaders' cultural intelligence. The scale consists of four dimensions: metacognitive CQ (4 items), cognitive CQ (6 items), motivational CQ (5 items), and behavioral CQ (5 items), totaling 20 items. Items were rated on a 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). Sample items include "My supervisor adjusts his/her behavior when interacting with employees from different cultures" and "My supervisor shows confidence in interacting with culturally diverse customers."

2. Multifactor Leadership Questionnaire (MLQ-5X): The transformational leadership subscale of the MLQ-5X developed by Bass and Avolio (2000) was used to assess transformational leadership. The subscale consists of 20 items measuring idealized influence (charisma), inspirational motivation, intellectual stimulation, and individualized consideration. Items were rated on a 5-point Likert scale from 1 (not at all) to 5 (frequently, if not always). Sample items include "My supervisor articulates a compelling vision" and "My supervisor stimulates me to think creatively."

3. Participative Leadership Scale: An adapted scale, derived from Somech (2006) and Kim (2002), was used to assess participative leadership. The scale consists of 10 items measuring decision-making involvement, consultation, and employee empowerment. Items were rated on a 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). Sample items include "My supervisor involves employees in decision-making" and "My supervisor encourages employees to share their ideas."

4. Culturally Adaptive Leadership Scale: An adapted scale was developed to measure culturally adaptive leadership, based on House et al. (2004) and Den Hartog and Dickson (2004). The scale consists of 12 items measuring cultural sensitivity, behavioral flexibility, contextual intelligence, and adaptation to local norms. Items were rated on a 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). Sample items include "My supervisor adapts his/her leadership style to the Ghanaian cultural context" and "My supervisor demonstrates respect for local cultural values."

5. Employee Service Quality Scale: An adapted scale, derived from SERVQUAL (Parasuraman, Zeithaml, & Berry, 1988) and service quality literature, was used to measure employee service quality. The scale consists of 15 items measuring service delivery dimensions: reliability, responsiveness, assurance, empathy, and tangibles, adapted for employee-level assessment. Items were rated on a 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). Sample items include "I consistently deliver high-quality service to customers" and "I respond promptly to customer needs."

6. Customer Satisfaction Scale: Customer satisfaction was measured using a 10-item scale adapted from SERVQUAL and customer satisfaction literature (Parasuraman et al., 1988; Anderson et al., 1994). Items assessed overall satisfaction, service quality perceptions, and likelihood of recommendation. Items were rated on a 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). Sample items include "I am satisfied with the service I receive at this organization" and "This organization meets my expectations."

Demographic information for employees (age, gender, education, tenure, job level, sector) and customers (age, gender, income, frequency of use, customer type) was also collected.

Validity and Reliability

To ensure content validity, all instruments were reviewed by three experts in cross-cultural management, organizational behavior, and marketing. A pilot study with 55 employees and 165 customers was conducted to check clarity, appropriateness, and timing. Reliability analysis showed Cronbach's alpha values of 0.91 for cultural intelligence leadership, 0.93 for

transformational leadership, 0.88 for participative leadership, 0.89 for culturally adaptive leadership, 0.90 for employee service quality, and 0.92 for customer satisfaction. All values exceeded the acceptable threshold of 0.70 (Nunnally & Bernstein, 1994), confirming instrument reliability.

Data Collection Procedure

Ethical approval was obtained from the relevant institutional review board. Permission to access employees and customers was obtained from the management of participating organizations. Employee participants were informed about the purpose of the study and provided written informed consent. Data were collected through self-administered questionnaires distributed during working hours. Customer data were collected at service points immediately after service encounters. Participants were assured of confidentiality and anonymity. Data collection occurred over a twelve-week period to accommodate organizational schedules and customer availability.

Data Analysis

Data were analyzed using SPSS version 27 and PROCESS macro for mediation analysis (Hayes, 2018). Descriptive statistics, including means, standard deviations, and frequency distributions, were used to summarize demographic characteristics and study variables. Pearson's correlation coefficient was calculated to examine bivariate relationships between cross-cultural leadership styles, employee service quality, and customer satisfaction. Hierarchical regression analyses were performed to test the direct effects of cross-cultural leadership styles on customer satisfaction. Mediation analysis was conducted to test the mediating role of employee service quality in the relationship between cross-cultural leadership styles and customer satisfaction. Control variables (age, gender, education, tenure, job level, sector, and customer demographics) were included in analyses. Statistical significance was set at $p < 0.05$. Mediation was tested using bootstrapping with 5,000 resamples to estimate indirect effects and confidence intervals.

Ethical Considerations

The study adhered to ethical principles. Participation was voluntary, and informed consent was obtained. Confidentiality and anonymity were maintained by assigning identification codes. Participants were allowed to withdraw at any point without penalty. Data were securely stored and used solely for academic purposes. Organizational permission and institutional review board approval were obtained prior to data collection.

ANALYSIS AND RESULTS

This section presents the statistical findings of the study, focusing on the impact of cross-cultural leadership styles on customer satisfaction. Descriptive statistics, correlation analysis, hierarchical regression, and mediation analysis are presented.

Descriptive Statistics

The study sample consisted of 360 employees and 1,080 customers across eight multinational subsidiaries in Ghana. Employee demographic characteristics are presented in Table 1. The employee sample comprised 53% male and 47% female participants. Employee ages ranged from 22 to 60 years, with a mean age of 34.2 years ($SD = 7.5$). Educational levels included 46% bachelor's degrees, 30% master's degrees, 16% diplomas, and 8% other qualifications. Organizational tenure averaged 5.2 years ($SD = 4.1$). Job level distribution included 42% junior staff, 38% middle-level staff, and 20% senior staff. Sector representation included 35% banking, 40% telecommunications, and 25% hospitality.

Customer demographic characteristics are presented in Table 2. The customer sample comprised 52% male and 48% female participants. Customer ages ranged from 18 to 65 years, with a mean age of 31.8 years ($SD = 10.3$). Customer types included 68% local customers and 32% expatriate/international customers. Frequency of service use averaged 4.2 times per month ($SD = 2.8$). Income levels varied, with a mean monthly income of GHS 2,850.

Table 1: Demographic Characteristics of Employees.

Characteristic	Category	Frequency (N)	Percentage (%)
Gender	Male	191	53.1
	Female	169	46.9
Age Group	22-29 years	112	31.1
	30-39 years	148	41.1
	40-49 years	68	18.9
	50 years and above	32	8.9
Education	Diploma	58	16.1
	Bachelor's Degree	166	46.1
	Master's Degree	108	30.0
	Other	28	7.8
Job Level	Junior Staff	151	41.9
	Middle Management	137	38.1
	Senior Management	72	20.0
Sector	Banking	126	35.0
	Telecommunications	144	40.0
	Hospitality	90	25.0

Table 2: Demographic Characteristics of Customers.

Characteristic	Category	Frequency (N)	Percentage (%)
Gender	Male	562	52.0
	Female	518	48.0
Customer Type	Local	734	68.0
	Expatriate/International	346	32.0

Descriptive statistics for the study variables are presented in Table 3. Cultural intelligence leadership scores ranged from 1.75 to 5.00, with a mean of 3.62 (SD = 0.67). Transformational leadership scores ranged from 1.60 to 5.00, with a mean of 3.55 (SD = 0.69). Participative leadership scores ranged from 1.70 to 5.00, with a mean of 3.48 (SD = 0.71). Culturally adaptive leadership scores ranged from 1.65 to 5.00, with a mean of 3.52 (SD = 0.70). Employee service quality scores ranged from 1.80 to 5.00, with a mean of 3.58 (SD = 0.65). Customer satisfaction scores ranged from 1.70 to 5.00, with a mean of 3.60 (SD = 0.68). These statistics indicate moderate-to-high levels of cross-cultural leadership, employee service quality, and customer satisfaction, with sufficient variability for correlation and regression analyses.

Table 3: Descriptive Statistics of Study Variables.

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Cultural Intelligence Leadership	360	1.75	5.00	3.62	0.67
Transformational Leadership	360	1.60	5.00	3.55	0.69
Participative Leadership	360	1.70	5.00	3.48	0.71
Culturally Adaptive Leadership	360	1.65	5.00	3.52	0.70
Employee Service Quality	360	1.80	5.00	3.58	0.65
Customer Satisfaction	360*	1.70	5.00	3.60	0.68

*Note: Customer satisfaction scores represent average ratings from three customers per employee (N = 1,080 customers aggregated to employee level for analysis).

Correlation Analysis

Pearson's correlation analysis was conducted to examine the bivariate relationships between cross-cultural leadership styles, employee service quality, and customer satisfaction. Results are presented in Table 4.

Table 4: Pearson Correlation Matrix.

Variable	1	2	3	4	5	6
1. Cultural Intelligence Leadership	1.00					
2. Transformational Leadership	0.48**	1.00				
3. Participative Leadership	0.41**	0.44**	1.00			
4. Culturally Adaptive Leadership	0.52**	0.46**	0.39**	1.00		
5. Employee Service Quality	0.45**	0.42**	0.38**	0.47**	1.00	
6. Customer Satisfaction	0.48**	0.44**	0.39**	0.50**	0.56**	1.00

**p < .001 (2-tailed)

The results revealed significant positive correlations between all study variables. Cultural intelligence leadership was significantly correlated with customer satisfaction ($r = 0.48$, $p < .001$), employee service quality ($r = 0.45$, $p < .001$), and other leadership styles. Transformational leadership was significantly correlated with customer satisfaction ($r = 0.44$, $p < .001$). Participative leadership was significantly correlated with customer satisfaction ($r = 0.39$, $p < .001$). Culturally adaptive leadership was significantly correlated with customer satisfaction ($r = 0.50$, $p < .001$), suggesting a particularly strong relationship. Employee service quality was significantly correlated with customer satisfaction ($r = 0.56$, $p < .001$), providing preliminary support for the hypothesized mediation relationship. These correlations provide preliminary support for the hypothesized relationships.

Hierarchical Regression Analysis

Hierarchical regression analyses were conducted to examine the direct effects of cross-cultural leadership styles on customer satisfaction. Control variables (employee age, gender, education, tenure, job level, sector, and customer demographics) were entered in Model 1. Cross-cultural leadership styles were entered in Model 2. Results are presented in Table 5.

Table 5: Hierarchical Regression of Cross-Cultural Leadership Styles on Customer Satisfaction.

Model	Predictors	B	SE	β	t	Sig.
1	Employee Age	0.01	0.01	0.03	0.62	.536
	Employee Gender	-0.02	0.04	-0.03	-0.48	.632
	Employee Education	0.03	0.03	0.05	1.02	.308
	Employee Tenure	-0.01	0.01	-0.04	-0.75	.453
	Employee Job Level	0.08	0.04	0.10	2.01	.045
	Sector	-0.03	0.04	-0.04	-0.72	.472
	Customer Age	0.01	0.01	0.06	1.15	.251

	Customer Gender	- 0.01	0.03	- 0.02	- 0.35	.726
	Customer Type	0.06	0.04	0.08	1.58	.115
	$R^2 = 0.06$, Adjusted $R^2 = 0.04$, $F(9, 350) = 2.45$, $p < .05$					
2	Cultural Intelligence Leadership	0.34	0.05	0.32	7.12	.000
	Transformational Leadership	0.28	0.05	0.28	5.82	.000
	Participative Leadership	0.23	0.05	0.24	4.89	.000
	Culturally Adaptive Leadership	0.30	0.05	0.30	6.45	.000
	$R^2 = 0.44$, Adjusted $R^2 = 0.42$, $\Delta R^2 = 0.38$, $F(13, 346) = 21.34$, $p < .001$					

Model 1 results showed that control variables explained a modest portion of variance in customer satisfaction ($R^2 = 0.06$, $p < .05$). Employee job level was the only significant control variable ($\beta = 0.10$, $p < .05$), indicating that employees at higher job levels were associated with higher customer satisfaction. Other control variables were not significant predictors.

Model 2 results demonstrated that all four cross-cultural leadership styles significantly predicted customer satisfaction. Cultural intelligence leadership ($\beta = 0.32$, $p < .001$), transformational leadership ($\beta = 0.28$, $p < .001$), participative leadership ($\beta = 0.24$, $p < .001$), and culturally adaptive leadership ($\beta = 0.30$, $p < .001$) were all significant predictors, collectively explaining 44% of the variance in customer satisfaction ($R^2 = 0.44$, Adjusted $R^2 = 0.42$, $\Delta R^2 = 0.38$, $p < .001$). Culturally adaptive leadership had the strongest effect ($\beta = 0.30$), followed by cultural intelligence leadership ($\beta = 0.32$), transformational leadership ($\beta = 0.28$), and participative leadership ($\beta = 0.24$). VIF values were below 3.0, indicating no multicollinearity concerns.

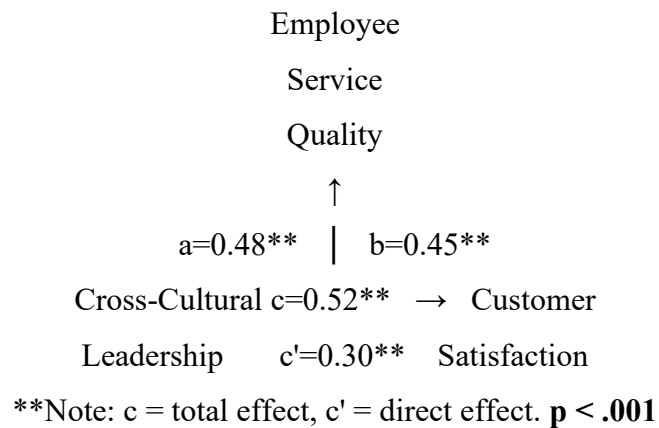
Mediation Analysis

To test the mediating role of employee service quality in the relationship between cross-cultural leadership styles and customer satisfaction, mediation analysis was conducted using PROCESS macro (Hayes, 2018) with 5,000 bootstrap resamples. A composite cross-cultural leadership score was created by averaging the four leadership styles for the mediation analysis. Results are presented in Table 6.

Table 6: Mediation Analysis Results

	Effect	SE	t	p	95% CI
a (CCL → ESQ)	0.48	0.04	11.82	.000	[0.40, 0.56]
b (ESQ → CS)	0.45	0.04	11.24	.000	[0.37, 0.53]
c (CCL → CS)	0.52	0.04	13.02	.000	[0.44, 0.60]
c' (CCL → CS, with ESQ)	0.30	0.04	6.98	.000	[0.22, 0.38]
Indirect Effect	0.22	0.04	-	-	[0.15, 0.29]

Text


Figure 1: Mediation Model

The mediation analysis revealed significant paths. Cross-cultural leadership significantly predicted employee service quality (a path: $\beta = 0.48$, $SE = 0.04$, $p < .001$), confirming that culturally competent leaders enhance employee service delivery. Employee service quality significantly predicted customer satisfaction (b path: $\beta = 0.45$, $SE = 0.04$, $p < .001$), indicating that high-quality employee service leads to customer satisfaction. The total effect of cross-cultural leadership on customer satisfaction was significant (c path: $\beta = 0.52$, $p < .001$).

The indirect effect of cross-cultural leadership on customer satisfaction through employee service quality was significant ($\beta = 0.22$, $SE = 0.04$, 95% CI: 0.15 to 0.29). The bootstrap confidence interval did not include zero, confirming that employee service quality significantly mediates the relationship between cross-cultural leadership and customer satisfaction. The direct effect of cross-cultural leadership on customer satisfaction remained significant after accounting for employee service quality (c' path: $\beta = 0.30$, $p < .001$), indicating partial mediation. This suggests that cross-cultural leadership influences customer satisfaction both directly and indirectly through its effect on employee service quality.

The results indicate that approximately 42% of the total effect of cross-cultural leadership on customer satisfaction is mediated through employee service quality (indirect effect/total

effect = $0.22/0.52 = 0.423$). The proportion of mediation (PM) is 42.3%, indicating a substantial mediating effect.

DISCUSSION OF RESULTS

The findings of this study provide robust support for the hypothesized relationships between cross-cultural leadership styles and customer satisfaction in multinational subsidiaries in Ghana. Correlation analysis revealed significant positive relationships between all cross-cultural leadership styles (cultural intelligence leadership, transformational leadership, participative leadership, and culturally adaptive leadership) and customer satisfaction, confirming that culturally competent leaders enhance customer satisfaction. These findings align with cultural intelligence theory (Ang et al., 2007), transformational leadership theory (Bass, 1985), and service-profit chain theory (Heskett et al., 1997), suggesting that cross-cultural leadership is a critical driver of customer satisfaction in multinational contexts.

The significant positive relationship between cultural intelligence leadership and customer satisfaction ($r = 0.48, p < .001$; $\beta = 0.32, p < .001$) confirms that leaders with high cultural intelligence create organizational climates that satisfy diverse customers. Leaders who possess cultural awareness, knowledge, motivation, and behavioral adaptability are better equipped to understand and respond to the culturally varied expectations of Ghanaian and expatriate customers (Thomas & Inkson, 2009). Cultural intelligence enables leaders to model culturally sensitive behaviors, train employees in cultural competence, and create service protocols that accommodate diverse customer preferences. This finding is consistent with Chen, Liu, and Portnoy (2012) and Wang, Hsieh, and Hsu (2015), who found that cultural intelligence leadership enhances customer satisfaction.

The significant positive relationship between transformational leadership and customer satisfaction ($r = 0.44, p < .001$; $\beta = 0.28, p < .001$) underscores the importance of inspirational and developmental leadership in service contexts. Transformational leaders articulate compelling service visions, inspire employees to deliver exceptional service, stimulate creative solutions to customer problems, and provide individualized support that enables employees to meet customer needs effectively (Bass & Avolio, 1994). In multinational subsidiaries, transformational leadership may be particularly effective because it appeals to universal values of excellence, growth, and meaningful contribution, transcending cultural boundaries (Meyer et al., 2002).

The significant positive relationship between participative leadership and customer satisfaction ($r = 0.39, p < .001$; $\beta = 0.24, p < .001$) highlights the value of involving

employees in decision-making. Participative leaders who consult employees, seek input on service improvements, and empower frontline staff to make customer-related decisions create climates of trust and engagement (Somech, 2006; Kim, 2002). In the Ghanaian context, participative leadership aligns with cultural values of consultation, consensus-building, and respect for diverse perspectives (Gyekye, 1996). Employees who feel valued and empowered are more motivated to deliver high-quality service, resulting in enhanced customer satisfaction. This finding is consistent with Adepoju and Olawale (2017), who found that participative leadership enhances customer satisfaction in West African service organizations. The significant positive relationship between culturally adaptive leadership and customer satisfaction ($r = 0.50$, $p < .001$; $\beta = 0.30$, $p < .001$) underscores the importance of leaders' ability to adapt their behaviors and communication styles to fit the Ghanaian cultural context while maintaining global service standards. Culturally adaptive leaders demonstrate flexibility, cultural sensitivity, and contextual intelligence, enabling them to navigate the tension between global corporate expectations and local cultural norms (House et al., 2004; Den Hartog & Dickson, 2004). In multinational subsidiaries, where global and local demands often conflict, culturally adaptive leadership is essential for creating service climates that satisfy both Ghanaian customers, who value interpersonal relationships and cultural sensitivity, and expatriate customers, who value efficiency and standardization (Adom, 2016; Osei, 2018).

The most significant finding of this study is the mediating role of employee service quality in the relationship between cross-cultural leadership and customer satisfaction. The significant indirect effect ($\beta = 0.22$, 95% CI: 0.15 to 0.29) confirms that cross-cultural leadership enhances customer satisfaction through improved employee service delivery. This finding provides strong support for the service-profit chain theory (Heskett et al., 1997), which posits that leadership creates a supportive organizational climate that enhances employee satisfaction and engagement, leading to superior service quality and customer satisfaction (Schneider et al., 2005). Leaders who exhibit cross-cultural competence create service climates where employees feel valued, supported, and motivated to deliver excellent service to diverse customers.

The partial mediation (42.3% of total effect mediated) suggests that cross-cultural leadership influences customer satisfaction through multiple pathways. The direct effect of cross-cultural leadership on customer satisfaction (c' path: $\beta = 0.30$, $p < .001$) indicates that leaders directly influence customer satisfaction through their own interactions with customers, their design of service protocols, and their visible commitment to customer satisfaction. The

indirect effect through employee service quality demonstrates that leaders also influence customer satisfaction by shaping employee attitudes and behaviors. This dual pathway underscores the importance of leadership at multiple levels—leaders must not only directly engage with customers but also create enabling environments for employees to deliver exceptional service.

The findings have significant practical implications for multinational subsidiaries operating in Ghana and similar contexts. First, organizations should prioritize the development of cross-cultural leadership competence among managers and supervisors. Leadership development programs should build cultural intelligence, culturally adaptive behaviors, and culturally sensitive transformational and participative leadership skills. Second, organizations should ensure that leadership development is context-specific, addressing the unique cultural dynamics of the Ghanaian service context. Third, organizations should recognize that the impact of leadership on customer satisfaction is mediated by employee service quality, emphasizing the importance of investing in employee engagement, training, and empowerment. Fourth, organizations should develop service protocols that reflect both global standards and local cultural values, enabling employees to serve diverse customer segments effectively.

CONCLUSION AND RECOMMENDATIONS

Conclusion

This study examined the impact of cross-cultural leadership styles on customer satisfaction in multinational subsidiaries in Ghana. The findings revealed significant positive relationships between cultural intelligence leadership, transformational leadership, participative leadership, culturally adaptive leadership, and customer satisfaction. Most importantly, employee service quality was found to partially mediate the relationship between cross-cultural leadership and customer satisfaction, indicating that culturally competent leaders enhance customer satisfaction through improved employee service delivery.

The study confirms theoretical frameworks, including cultural intelligence theory, transformational leadership theory, participative leadership theory, and service-profit chain theory, in the Ghanaian multinational context. The findings demonstrate that culturally competent leadership is essential for creating service climates that satisfy diverse customers in multinational subsidiaries. Organizations that invest in cross-cultural leadership development, employee service quality, and culturally sensitive service protocols are better

positioned to achieve high levels of customer satisfaction and sustainable competitive advantage.

RECOMMENDATIONS

- 1. Cross-Cultural Leadership Development:** Multinational subsidiaries should invest in comprehensive cross-cultural leadership development programs that build cultural intelligence, culturally adaptive behaviors, and culturally sensitive transformational and participative leadership skills. Training should include cultural awareness, knowledge of Ghanaian cultural values, cross-cultural communication skills, and adaptability in leadership behaviors. Programs should be ongoing rather than one-time interventions.
- 2. Cultural Intelligence Assessment:** Organizations should assess leaders' cultural intelligence as part of selection, promotion, and development processes. Cultural intelligence assessments can identify leaders' strengths and development needs, enabling targeted interventions. Selection criteria for leadership positions should include cultural intelligence as a core competency.
- 3. Service Quality Enhancement:** Organizations should invest in employee service quality through training, empowerment, and recognition programs. Employees should be trained in cultural sensitivity, service excellence, and communication skills. Empowerment programs should enable employees to make decisions that satisfy customer needs. Recognition and reward systems should acknowledge employees who deliver exceptional service to diverse customers.
- 4. Culturally Sensitive Service Protocols:** Organizations should develop service protocols that balance global standards with local cultural values. Service delivery should reflect Ghanaian cultural values of interpersonal relationships, respect, personalized attention, and community orientation, while maintaining global service quality benchmarks. Service protocols should be flexible enough to accommodate diverse customer expectations.
- 5. Leadership Support for Service Climate:** Leaders should actively support the development of service climates by modeling culturally sensitive behaviors, communicating commitment to customer satisfaction, providing resources for service excellence, and recognizing employees who deliver exceptional service. Leadership visibility and engagement in service delivery are essential.
- 6. Employee Engagement and Empowerment:** Organizations should create climates that engage and empower employees. Participative decision-making, open communication, and employee involvement in service improvement initiatives enhance employee motivation and

service quality. Empowered employees are better equipped to adapt to diverse customer needs.

7. Customer Feedback Mechanisms: Organizations should implement robust customer feedback mechanisms to monitor satisfaction and identify areas for improvement. Feedback should be collected from diverse customer segments and used to inform leadership development, service training, and service protocol refinement. Regular customer satisfaction surveys, complaint analysis, and service audits are recommended.

8. Diversity and Inclusion Initiatives: Organizations should implement diversity and inclusion initiatives that value and celebrate cultural diversity. Diverse workforces, inclusive leadership, and culturally sensitive policies enhance understanding of diverse customer needs and improve service delivery to all customer segments.

9. Cross-Cultural Training for All Employees: In addition to leadership development, organizations should provide cross-cultural training for all employees who interact with customers. Training should cover cultural awareness, communication styles, service expectations, and strategies for serving diverse customers effectively.

10. Further Research: Future research should examine cross-cultural leadership and customer satisfaction in other sectors, including manufacturing, education, and healthcare. Longitudinal research could examine how cross-cultural leadership and customer satisfaction evolve over time. Comparative studies across countries and cultural contexts would enhance generalizability. Qualitative research could provide deeper insights into how leaders and employees navigate cultural dynamics in service delivery.

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