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# Cultural Distance as A Moderator of Leadership Perception and Employee Commitment in Multinational Companies

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**ABSTRACT:** This study examined the moderating role of cultural distance on the relationship between leadership perception and employee commitment in multinational companies (MNCs) operating in Ghana. Using a quantitative cross-sectional design, data were collected from 380 employees across seven MNCs in the banking, telecommunications, and manufacturing sectors. Leadership perception was measured using the Global Leadership and Organizational Behavior Effectiveness (GLOBE) leadership scales, cultural distance was assessed using an adapted Cultural Distance Index, and employee commitment was measured using the three-component commitment scale. Descriptive statistics, Pearson's correlation, and hierarchical regression analyses were conducted to examine relationships and moderating effects. Results revealed significant positive correlations between leadership perception and affective commitment ($r = 0.48$, $p < .001$), normative commitment ($r = 0.38$, $p < .001$), and continuance commitment ($r = 0.15$, $p < .01$). Cultural distance significantly moderated the relationship between leadership perception and affective commitment ($\beta = -0.22$, $p < .001$) and normative commitment ($\beta = -0.18$, $p < .01$), such that the positive effects of leadership perception on commitment were weaker when cultural distance was high. Cultural distance did not significantly moderate the relationship with continuance commitment ($\beta = -0.08$, $p > .05$). The findings highlight that cultural distance between expatriate leaders and local employees undermines the positive effects of leadership on employee commitment. Implications for expatriate selection, cultural integration, and leadership development in Ghanaian MNCs are discussed.

**KEYWORDS:** Cultural Distance, Leadership Perception, Employee Commitment, Multinational Companies, Ghana, Expatriate Leadership, Cross-Cultural Management

## INTRODUCTION

Multinational companies (MNCs) operating in culturally diverse environments face the challenge of leading employees whose cultural backgrounds differ significantly from those of expatriate managers (Hofstede, 2001; House et al., 2004). Cultural distance—the degree of difference between the cultural values, norms, and practices of the home and host countries—has emerged as a critical factor influencing expatriate leadership effectiveness and employee outcomes (Shenkar, 2001; Beugelsdijk et al., 2018). In Ghana, where MNCs employ both expatriate and local leaders, understanding how cultural distance moderates the relationship between leadership perception and employee commitment is essential for effective cross-cultural management.

Leadership perception refers to employees' subjective evaluations of their leaders' behaviors, effectiveness, and authenticity (Brown, Treviño, & Harrison, 2005). Positive leadership perception has been consistently associated with higher employee commitment, particularly affective commitment (Meyer et al., 2002). However, the strength of this relationship may depend on the cultural distance between leaders and employees. When cultural distance is high, employees may struggle to interpret leadership behaviors accurately, perceive leaders as less credible, and develop weaker emotional attachments to the organization (Thomas & Inkson, 2009). Conversely, when cultural distance is low, employees may find leaders more relatable and trustworthy, strengthening the positive effects of leadership perception on commitment.

Cultural distance encompasses differences in values, communication styles, power distance, individualism-collectivism, and uncertainty avoidance (Hofstede, 2001; Schwartz, 1994). Ghanaian culture, characterized by high collectivism, high power distance, and strong uncertainty avoidance, differs significantly from many Western cultures (Hofstede, 2001; Gyekye, 1996). Expatriate leaders from individualistic, low power distance cultures may face challenges in adapting their leadership behaviors to meet Ghanaian employee expectations (Nukunya, 2003). Employees may perceive culturally distant leaders as less understanding, less trustworthy, and less effective, thereby reducing the positive impact of leadership on commitment.

Employee commitment—affective (emotional attachment), continuance (perceived costs of leaving), and normative (moral obligation to stay)—is shaped by leadership perception (Meyer & Allen, 1991). Affective commitment, the most desirable form, is particularly sensitive to leadership quality. However, cultural distance may weaken this relationship by introducing communication barriers, misunderstandings, and mistrust (Black, Mendenhall, & Oddou, 1991). Employees in culturally distant contexts may question whether their leaders truly understand their needs, values, and concerns, undermining the development of emotional attachment and loyalty (Caligiuri & Tarique, 2012).

Despite the recognized importance of cultural distance in international management, limited empirical research has examined its moderating role in the leadership perception-commitment relationship in Ghanaian MNCs. While studies have explored cultural distance and expatriate adjustment (Shaffer et al., 1999; Takeuchi et al., 2005) and leadership and commitment in various contexts (Meyer et al., 2002), few have specifically examined how cultural distance moderates the leadership perception-commitment relationship in Ghana. This study addresses this gap by examining the moderating role of cultural distance on the relationship between leadership perception and employee commitment in MNCs operating in Ghana.

**Statement of the Problem**

Employee commitment is critical for organizational effectiveness, retention, and performance in MNCs operating in Ghana. Leadership perception significantly influences employee commitment, as employees who perceive their leaders positively develop stronger emotional attachment to their organizations (Meyer et al., 2002). However, cultural distance between expatriate leaders and local employees may weaken this relationship by introducing communication barriers, cultural misunderstandings, and reduced trust (Shenkar, 2001; Beugelsdijk et al., 2018). In Ghanaian MNCs, limited empirical research has examined how cultural distance moderates the leadership perception-commitment relationship, particularly across affective, continuance, and normative commitment types. This gap hinders effective expatriate selection, leadership development, and cultural integration strategies. This study addresses this gap by examining the moderating role of cultural distance on the relationship between leadership perception and employee commitment in MNCs operating in Ghana.

**Purpose of the Study**

The purpose of this study is to examine the moderating role of cultural distance on the relationship between leadership perception and employee commitment in multinational companies operating in Ghana. Specifically, the study aims to assess the direct effects of leadership perception and cultural distance on affective, continuance, and normative commitment, and to determine whether cultural distance moderates the leadership perception-commitment relationship.

**Research Objectives**

1. To examine the relationship between leadership perception and employee commitment types (affective, continuance, and normative commitment) in MNCs operating in Ghana.
2. To assess the relationship between cultural distance and employee commitment types.
3. To determine the moderating effect of cultural distance on the relationship between leadership perception and affective commitment.
4. To determine the moderating effect of cultural distance on the relationship between leadership perception and continuance commitment.
5. To determine the moderating effect of cultural distance on the relationship between leadership perception and normative commitment.
6. To provide recommendations for managing cultural distance in MNCs operating in Ghana.

## LITERATURE REVIEW

### Theoretical Literature

The theoretical foundation of this study draws from cultural distance theory, social exchange theory, organizational commitment theory, and cross-cultural leadership theory. Cultural distance theory (Shenkar, 2001; Beugelsdijk et al., 2018) posits that differences between home and host country cultures create challenges for individuals operating across borders. Cultural distance encompasses differences in values, norms, beliefs, and practices that shape communication, expectations, and interpersonal relationships. In MNCs, cultural distance between expatriate leaders and local employees can create misunderstandings, reduce trust, and undermine leadership effectiveness (Black et al., 1991). Cultural distance theory suggests that the effects of leadership on employee outcomes may be weaker when cultural distance is high.

Social exchange theory (Blau, 1964) provides a framework for understanding how leadership perception influences commitment through reciprocal exchange. Employees who perceive positive leadership—characterized by trust, respect, and support—feel obligated to reciprocate through positive attitudes, including commitment. However, cultural distance may weaken this exchange relationship by reducing the perceived genuineness of leadership behaviors. When cultural distance is high, employees may interpret leadership behaviors differently than intended, perceive leaders as less authentic, and develop weaker reciprocal obligations

(Thomas & Inkson, 2009). This suggests that cultural distance moderates the social exchange process underpinning the leadership-commitment relationship.

Organizational commitment theory (Meyer & Allen, 1991) distinguishes between three components of commitment with different antecedents and consequences. Affective commitment develops from positive work experiences, supportive relationships, and value congruence—factors strongly influenced by leadership perception. Normative commitment develops from internalized values and feelings of moral obligation, influenced by socialization and reciprocity. Continuance commitment develops from perceived costs of leaving, influenced by economic and structural factors. Cultural distance may differentially affect these commitment types. Affective and normative commitment, which depend on relational and value-based processes, may be more sensitive to cultural distance than continuance commitment, which depends on economic calculus (Meyer et al., 2002).

Cross-cultural leadership theory (House et al., 2004; Den Hartog & Dickson, 2004) emphasizes that leadership effectiveness depends on cultural congruence. Leadership behaviors that are effective in one cultural context may not be effective in another due to differences in cultural values and implicit leadership theories. In high collectivism, high power distance cultures like Ghana (Hofstede, 2001), employees expect leaders to be participative, supportive, relationship-oriented, and respectful of hierarchy. Expatriate leaders from cultures with different expectations may be perceived as less effective, regardless of their actual leadership capabilities. Cultural distance theory suggests that the gap between expatriate leadership behaviors and local expectations moderates the effects of leadership on employee outcomes (Caligiuri & Tarique, 2012).

Information processing and communication theories further explain the moderating role of cultural distance. When cultural distance is high, communication is more susceptible to misinterpretation, ambiguity, and misunderstanding (Gudykunst, 2005). Employees may misinterpret leadership intentions, perceive uncertainty, and develop negative attributions about leaders' behaviors. This communication breakdown undermines the positive effects of leadership perception on commitment. Conversely, when cultural distance is low, communication is more accurate and efficient, strengthening the positive effects of leadership (Thomas & Inkson, 2009).

## EMPIRICAL LITERATURE

Empirical research has established positive relationships between leadership perception and employee commitment. Meyer and colleagues (2002) found that transformational leadership significantly predicts affective commitment across studies. Similarly, Avolio, Zhu, Koh, and Bhatia (2004) reported that perceived authentic leadership positively predicts commitment. In the Ghanaian context, Asare and Nsiah (2019) found that supportive leadership enhances employee commitment. These studies consistently demonstrate that positive leadership perception enhances commitment, particularly affective commitment.

Research on cultural distance and employee outcomes has grown substantially. Beugelsdijk and colleagues (2018) conducted a meta-analysis demonstrating that cultural distance negatively affects expatriate adjustment, performance, and turnover. Shenkar (2001) highlighted that cultural distance creates challenges in communication, trust-building, and interpersonal relationships. In the Ghanaian context, Osei (2018) found that cultural distance between expatriate and local employees negatively affected employee satisfaction and commitment. These studies suggest that cultural distance undermines positive employee attitudes and behaviors.

Studies specifically examining the moderating role of cultural distance on leadership-commitment relationships are limited but growing. Zhang and colleagues (2020) found that cultural distance moderated the relationship between transformational leadership and employee commitment in Chinese MNCs, with the positive effects of leadership weaker when cultural distance was high. Similarly, Wang and colleagues (2021) reported that cultural distance moderated the relationship between leadership and employee engagement in Southeast Asian MNCs. In Africa, Akoma and Ogbonna (2021) found that cultural distance weakened the positive effects of leadership on employee commitment in Nigerian multinational subsidiaries. These studies provide preliminary evidence that cultural distance moderates leadership-outcome relationships.

Research on cultural distance and commitment types has also emerged. Froese and Peltokorpi (2022) found that cultural distance had stronger negative effects on affective commitment than continuance commitment, as affective commitment depends more on relational and value-based processes. Similarly, Takeuchi and colleagues (2021) reported that cultural distance negatively affected normative commitment through reduced organizational identification. These studies suggest that cultural distance differentially affects commitment types, with stronger effects on affective and normative commitment than continuance commitment.

In the Ghanaian MNC context, limited empirical research has examined cultural distance as a moderator of leadership perception and commitment. While studies have explored leadership and commitment in Ghanaian organizations (Asare & Nsiah, 2019; Osei, 2018), few have specifically examined the moderating role of cultural distance. This gap is significant given the increasing presence of expatriate leaders in Ghanaian MNCs and the importance of cultural integration for organizational effectiveness. This study addresses this gap by examining the moderating role of cultural distance on the relationship between leadership perception and employee commitment types in MNCs operating in Ghana.

## METHODOLOGY

### Research Design

This study employed a quantitative cross-sectional research design to examine the moderating role of cultural distance on the relationship between leadership perception and employee commitment. The cross-sectional design was appropriate for collecting data at a single point in time to assess relationships and test the hypothesized moderation model (Creswell & Creswell, 2018).

### Population and Sampling

The target population comprised employees working in MNCs operating in Ghana. Seven MNCs were purposively selected: three banks (Standard Chartered Bank Ghana, Ecobank Ghana, Stanbic Bank Ghana), two telecommunications companies (MTN Ghana, Vodafone Ghana), and two manufacturing companies (Unilever Ghana, Nestlé Ghana). These organizations were selected based on their multinational status, presence of expatriate leaders, representation of diverse sectors, and significant workforce size.

Stratified random sampling was employed to ensure representation across sectors, job levels, functional areas, and exposure to expatriate leaders. Using Krejcie and Morgan's (1970) sample size table, a total of 380 employees were selected, accounting for potential non-responses. Inclusion criteria required that employees had been with their organization for at least one year and worked under or interacted regularly with expatriate leaders.

### Data Collection Instruments

Three primary instruments were used in this study:

1. **Leadership Perception Scale**: The Global Leadership and Organizational Behavior Effectiveness (GLOBE) leadership scales, developed by House and colleagues (2004), were used to assess employees' perceptions of their expatriate leaders. The scale consists of six dimensions: visionary, participative, charismatic, team-oriented, humane-oriented, and autonomous leadership. A shortened 24-item version was used, with four items per dimension. Items were rated on a 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). Sample items include "My leader inspires others to work toward shared goals" and "My leader makes decisions through consultation."
2. **Cultural Distance Scale**: An adapted Cultural Distance Index (CDI) was developed based on Hofstede's (2001) cultural dimensions and Schwartz's (1994) value dimensions. The scale consisted of 20 items assessing perceived differences between expatriate leaders' home cultures and Ghanaian culture across dimensions: power distance, individualism-collectivism, uncertainty avoidance, masculinity-femininity, long-term orientation, and indulgence. Items were rated on a 5-point Likert scale from 1 (very similar) to 5 (very different). Sample items include "My leader's communication style is different from Ghanaian norms" and "My leader's approach to decision-making is different from Ghanaian cultural expectations."
3. **Employee Commitment Scale**: Meyer and Allen's (1991) three-component commitment scale were used to measure employee commitment. The scale consists of three subscales: affective commitment (6 items), continuance commitment (6 items), and normative commitment (6 items). Items were rated on a 5-point Likert scale from 1 (strongly disagree) to 5 (strongly agree). Sample items include "I would be very happy to spend the rest of my career with this organization" (affective), "I feel I have too few options to consider leaving this organization" (continuance), and "I believe I have a moral obligation to stay with this organization" (normative).

Demographic information, including age, gender, educational level, tenure, job level, functional area, sector, and leader's home country, was also collected.

### Validity and Reliability

To ensure content validity, all instruments were reviewed by three experts in cross-cultural management, organizational behavior, and international human resource management. A pilot study with 50 employees was conducted to check clarity, appropriateness, and timing. Reliability analysis showed Cronbach's alpha values of 0.92 for leadership perception, 0.89 for cultural distance, 0.90 for affective commitment, 0.84 for continuance commitment, and 0.87 for normative commitment. 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 was obtained from the management of participating organizations. 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. Participants were assured of confidentiality and anonymity. Data collection occurred over an eight-week period.

### Data Analysis

Data were analyzed using SPSS version 27. Descriptive statistics, including means, standard deviations, and frequency distributions, were used to summarize demographic characteristics and study variables. Pearson's correlation coefficients were calculated to examine bivariate relationships between leadership perception, cultural distance, and commitment types. Hierarchical regression

analyses were performed to test the direct effects of leadership perception and cultural distance on commitment and the moderating effects of cultural distance. Control variables (age, gender, education, tenure, job level, and sector) were included in regression analyses. Variables were mean-centered before creating interaction terms to reduce multicollinearity. Statistical significance was set at $p < 0.05$. Simple slope analyses were conducted to interpret significant interactions.

**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

**Descriptive Statistics**

The study sample consisted of 380 employees across seven MNCs in Ghana. Demographic characteristics are presented in Table 1. The sample comprised 52% male and 48% female participants. Employee ages ranged from 22 to 61 years, with a mean age of 34.5 years (SD = 7.8). Educational levels included 43% bachelor's degrees, 32% master's degrees, 15% diplomas, and 10% other qualifications. Organizational tenure averaged 5.8 years (SD = 4.5). Job level distribution included 41% junior staff, 39% middle-level staff, and 20% senior staff. Sector representation included 34% banking, 39% telecommunications, and 27% manufacturing. Leaders' home countries included the UK (28%), USA (22%), South Africa (18%), Netherlands (15%), and others (17%).

**Table 1: Demographic Characteristics of Participants**

| Characteristic | Category | Frequency (N) | Percentage (%) |
|---|---|---|---|
| **Gender** | Male | 198 | 52.1 |
| | Female | 182 | 47.9 |
| **Age Group** | 22-29 years | 118 | 31.1 |
| | 30-39 years | 150 | 39.5 |
| | 40-49 years | 72 | 18.9 |
| | 50 years and above | 40 | 10.5 |
| **Education** | Diploma | 57 | 15.0 |
| | Bachelor's Degree | 163 | 42.9 |
| | Master's Degree | 122 | 32.1 |
| | Other | 38 | 10.0 |
| **Job Level** | Junior Staff | 156 | 41.1 |
| | Middle Management | 148 | 38.9 |
| | Senior Management | 76 | 20.0 |
| **Sector** | Banking | 129 | 33.9 |
| | Telecommunications | 148 | 38.9 |
| | Manufacturing | 103 | 27.1 |

Descriptive statistics for the study variables are presented in Table 2.

**Table 2: Descriptive Statistics of Study Variables**

| Variable | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| **Leadership Perception** | 380 | 1.67 | 5.00 | 3.55 | 0.71 |
| **Cultural Distance** | 380 | 1.60 | 4.85 | 3.48 | 0.72 |
| **Affective Commitment** | 380 | 1.50 | 5.00 | 3.45 | 0.72 |
| **Continuance Commitment** | 380 | 1.67 | 4.83 | 3.28 | 0.68 |
| **Normative Commitment** | 380 | 1.67 | 5.00 | 3.38 | 0.70 |

**Correlation Analysis**

Pearson's correlation analysis was conducted to examine bivariate relationships between leadership perception, cultural distance, and commitment types. Results are presented in Table 3.

**Table 3: Pearson Correlation Matrix**

| Variable | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| **1. Leadership Perception** | 1.00 | | | | |
| **2. Cultural Distance** | -0.35** | 1.00 | | | |
| **3. Affective Commitment** | 0.48** | -0.32** | 1.00 | | |
| **4. Continuance Commitment** | 0.15* | -0.08 | 0.22** | 1.00 | |
| **5. Normative Commitment** | 0.38** | -0.26** | 0.50** | 0.28** | 1.00 |

**p < .001; *p < .01

Leadership perception was significantly correlated with affective commitment (r = 0.48, p < .001), normative commitment (r = 0.38, p < .001), and continuance commitment (r = 0.15, p < .01). Cultural distance was significantly negatively correlated with affective commitment (r = -0.32, p < .001), normative commitment (r = -0.26, p < .001), but not with continuance commitment (r = -0.08, p > .05). Leadership perception and cultural distance were significantly negatively correlated (r = -0.35, p < .001), indicating that employees who perceive their leaders positively also perceive lower cultural distance.

**Hierarchical Regression Analysis**

Hierarchical regression analyses were conducted to test the direct effects of leadership perception and cultural distance on commitment types, and the moderating effects of cultural distance. Control variables were entered in Step 1, leadership perception and cultural distance in Step 2, and the interaction term in Step 3. Variables were mean-centered before creating interaction terms. Results are presented in Tables 4, 5, and 6.

**Table 4: Moderating Effect of Cultural Distance on Leadership Perception and Affective Commitment**

| Model | Predictors | B | SE | B | t | Sig. |
|---|---|---|---|---|---|---|
| **1** | Controls | - | - | - | - | - |
| | $R^2 = 0.05$, $F(6, 373) = 3.28$, $p < .01$ | | | | | |
| **2** | Leadership Perception (LP) | 0.42 | 0.05 | 0.42 | 8.45 | .000 |
| | Cultural Distance (CD) | -0.22 | 0.05 | -0.22 | -4.45 | .000 |
| | $R^2 = 0.32$, $\Delta R^2 = 0.27$, $F(8, 371) = 21.87$, $p < .001$ | | | | | |
| **3** | LP × CD Interaction | -0.20 | 0.06 | -0.22 | -3.45 | .001 |
| | $R^2 = 0.36$, $\Delta R^2 = 0.04$, $F(9, 370) = 23.45$, $p < .001$ | | | | | |

**Figure 1: Interaction Effect of Leadership Perception and Cultural Distance on Affective Commitment**

The interaction term (LP × CD) was significant for affective commitment (β = -0.22, p < .001), adding 4% incremental variance ($\Delta R^2 = 0.04$, p < .001). The total model accounted for 36% of the variance in affective commitment. Simple slope analysis revealed that the positive effect of leadership perception on affective commitment was stronger when cultural distance was low (b = 0.55, p < .001) compared to when cultural distance was high (b = 0.28, p < .01). This indicates that cultural distance weakens the positive relationship between leadership perception and affective commitment.

**Table 5: Moderating Effect of Cultural Distance on Leadership Perception and Continuance Commitment**

| Model | Predictors | B | SE | β | t | Sig. |
|---|---|---|---|---|---|---|
| **1** | Controls | - | - | - | - | - |
| | $R^2 = 0.04$, $F(6, 373) = 2.67$, $p < .05$ | | | | | |
| **2** | Leadership Perception (LP) | 0.14 | 0.05 | 0.15 | 2.78 | .006 |
| | Cultural Distance (CD) | -0.03 | 0.05 | -0.03 | -0.56 | .576 |
| | $R^2 = 0.06$, $\Delta R^2 = 0.02$, $F(8, 371) = 2.98$, $p < .01$ | | | | | |
| **3** | LP × CD Interaction | -0.08 | 0.06 | -0.08 | -1.32 | .187 |
| | $R^2 = 0.07$, $\Delta R^2 = 0.01$, $F(9, 370) = 2.87$, $p < .01$ | | | | | |

The interaction term (LP × CD) was not significant for continuance commitment (β = -0.08, p > .05), indicating that cultural distance does not moderate the relationship between leadership perception and continuance commitment. Leadership perception significantly predicted continuance commitment (β = 0.15, p < .01), but cultural distance did not (β = -0.03, p > .05). The total model accounted for only 7% of the variance in continuance commitment.

**Table 6: Moderating Effect of Cultural Distance on Leadership Perception and Normative Commitment**

| Model | Predictors | B | SE | β | t | Sig. |
|---|---|---|---|---|---|---|
| **1** | Controls | - | - | - | - | - |
| | $R^2 = 0.04$, $F(6, 373) = 2.78$, $p < .05$ | | | | | |
| **2** | Leadership Perception (LP) | 0.34 | 0.05 | 0.34 | 6.78 | .000 |
| | Cultural Distance (CD) | -0.16 | 0.05 | -0.16 | -3.12 | .002 |
| | $R^2 = 0.22$, $\Delta R^2 = 0.18$, $F(8, 371) = 13.45$, $p < .001$ | | | | | |
| **3** | LP × CD Interaction | -0.16 | 0.06 | -0.18 | -2.78 | .006 |
| | $R^2 = 0.25$, $\Delta R^2 = 0.03$, $F(9, 370) = 14.12$, $p < .001$ | | | | | |

The interaction term (LP × CD) was significant for normative commitment ($\beta = -0.18$, $p < .01$), adding 3% incremental variance ($\Delta R^2 = 0.03$, $p < .01$). The total model accounted for 25% of the variance in normative commitment. Simple slope analysis revealed that the positive effect of leadership perception on normative commitment was stronger when cultural distance was low ($b = 0.45$, $p < .001$) compared to when cultural distance was high ($b = 0.23$, $p < .05$). This indicates that cultural distance weakens the positive relationship between leadership perception and normative commitment.

## DISCUSSION OF RESULTS

The findings of this study provide significant insights into the moderating role of cultural distance on the relationship between leadership perception and employee commitment in MNCs operating in Ghana. The results revealed that leadership perception significantly predicts affective, continuance, and normative commitment, consistent with prior research (Meyer et al., 2002; Avolio et al., 2004; Asare & Nsiah, 2019). The strongest relationship was with affective commitment ($\beta = 0.42$), followed by normative commitment ($\beta = 0.34$), with the weakest relationship with continuance commitment ($\beta = 0.15$). This pattern is consistent with organizational commitment theory (Meyer & Allen, 1991), which posits that affective commitment is most sensitive to relational factors such as leadership quality.

The significant negative relationship between cultural distance and employee commitment, particularly affective ($\beta = -0.22$) and normative ($\beta = -0.16$) commitment, confirms that cultural differences between expatriate leaders and local employees undermine commitment. This finding aligns with cultural distance theory (Shenkar, 2001; Beugelsdijk et al., 2018) and prior research (Froese & Peltokorpi, 2022; Takeuchi et al., 2021). Employees who perceive high cultural distance with their expatriate leaders experience communication barriers, misunderstandings, and reduced trust, which weaken their emotional attachment and moral obligation to the organization. The lack of significant relationship between cultural distance and continuance commitment ($\beta = -0.03$, $p > .05$) is consistent with theory, as continuance commitment is driven by economic factors rather than relational ones (Allen & Meyer, 1990).

The most significant finding of this study is the moderating effect of cultural distance on the leadership perception-commitment relationship. Cultural distance significantly moderated the relationship between leadership perception and affective commitment ($\beta = -0.22$, $p < .001$) and normative commitment ($\beta = -0.18$, $p < .01$), but not continuance commitment ($\beta = -0.08$, $p > .05$). This indicates that the positive effects of leadership perception on commitment are weaker when cultural distance is high. Employees who perceive high cultural distance with their expatriate leaders derive less benefit from positive leadership perceptions because cultural differences undermine trust, communication, and relationship quality (Thomas & Inkson, 2009; Caligiuri & Tarique, 2012).

The interaction effect on affective commitment is particularly noteworthy. When cultural distance is low, the positive effect of leadership perception on affective commitment is strong ($b = 0.55$). However, when cultural distance is high, the effect is considerably weaker ($b = 0.28$). This suggests that expatriate leaders who are perceived as culturally distant struggle to inspire emotional attachment, regardless of their leadership capabilities. Cultural distance creates a relational barrier that limits the effectiveness of leadership behaviors. Employees may question whether leaders truly understand their needs, values, and concerns, reducing the development of emotional bonds. This finding is consistent with social exchange theory (Blau, 1964) and cross-cultural leadership theory (House et al., 2004), which emphasize that cultural congruence is essential for effective social exchange and leadership.

The interaction effect on normative commitment, while significant, was somewhat weaker ($\beta = -0.18$, $p < .01$). When cultural distance is low, the positive effect of leadership perception on normative commitment is strong ($b = 0.45$). However, when cultural distance is high, the effect is weaker ($b = 0.23$). This suggests that cultural distance undermines the development of moral obligation to the organization because employees who perceive high cultural distance may not internalize organizational values or feel a sense of reciprocity toward leaders who are perceived as culturally different. The weaker interaction effect compared to affective commitment suggests that normative commitment, while still sensitive to cultural distance, may be somewhat more resilient because it is also influenced by broader organizational socialization processes (Meyer & Allen, 1991).

The lack of significant moderation for continuance commitment aligns with theoretical expectations. Continuance commitment is based on perceived costs of leaving, including economic investments and lack of alternatives, rather than relational factors (Allen & Meyer, 1990). Cultural distance does not affect employees' economic calculations about leaving the organization. Therefore, the moderating effect of cultural distance on continuance commitment is minimal and non-significant. This finding underscores the importance of distinguishing between commitment types when examining cultural distance effects.

The findings have significant practical implications for MNCs operating in Ghana. First, organizations should recognize that cultural distance between expatriate leaders and local employees undermines leadership effectiveness and employee commitment. Expatriate selection should prioritize candidates with high cultural intelligence and adaptability (Ang et al., 2007). Second, organizations should provide comprehensive cross-cultural training for expatriate leaders before and during their assignments to reduce perceived cultural distance (Thomas & Inkson, 2009). Training should cover Ghanaian cultural values, communication styles, and leadership expectations. Third, organizations should implement cultural integration initiatives that facilitate understanding and trust between expatriate and local employees (Caligiuri & Tarique, 2012). Fourth, organizations should consider promoting local leaders where feasible, as cultural congruence may enhance commitment.

## CONCLUSION AND RECOMMENDATIONS

### Conclusion

This study examined the moderating role of cultural distance on the relationship between leadership perception and employee commitment in MNCs operating in Ghana. The findings revealed that leadership perception significantly predicts affective, continuance, and normative commitment. Cultural distance significantly moderates the relationships between leadership perception and affective commitment and normative commitment, such that the positive effects of leadership perception are weaker when cultural distance is high. Cultural distance did not moderate the relationship with continuance commitment. The findings highlight that cultural distance between expatriate leaders and local employees undermines the positive effects of leadership on employee commitment, particularly affective commitment. Organizations must manage cultural distance through careful expatriate selection, comprehensive cross-cultural training, and cultural integration initiatives.

### Recommendations

1. **Expatriate Selection with Cultural Intelligence Criteria**: MNCs should include cultural intelligence assessment as a key criterion in expatriate selection. Candidates with high cultural intelligence are better equipped to navigate cultural differences, reduce perceived cultural distance, and build positive relationships with local employees.
2. **Comprehensive Cross-Cultural Training**: Organizations should provide comprehensive cross-cultural training for expatriate leaders prior to and during their assignments in Ghana. Training should cover Ghanaian cultural values, communication styles, leadership expectations, and strategies for building trust and credibility with local employees.
3. **Cultural Mentoring and Coaching**: Expatriate leaders should be paired with local mentors or cultural coaches who can provide ongoing guidance on navigating cultural differences and adapting leadership behaviors to the Ghanaian context.
4. **Cultural Integration Initiatives**: Organizations should implement initiatives that facilitate cultural understanding and integration between expatriate and local employees. Cultural exchange programs, team-building activities, and diversity initiatives can bridge cultural gaps.
5. **Local Leadership Development**: Organizations should invest in developing local leadership talent to reduce reliance on expatriate leaders where feasible. Local leaders who share cultural values with employees are better positioned to inspire commitment.
6. **Communication and Feedback Mechanisms**: Organizations should establish clear communication channels and feedback mechanisms that enable employees to express concerns about cultural differences and provide input on leadership effectiveness.
7. **Regular Cultural Distance Assessment**: Organizations should regularly assess employees' perceptions of cultural distance and use this information to inform leadership development and cultural integration strategies.
8. **Further Research**: Future research should examine the moderating role of individual differences, such as cultural intelligence and openness to diversity, on the cultural distance-commitment relationship. Longitudinal research could examine how cultural distance perceptions evolve over time as expatriates adapt to the host culture. Comparative studies across countries and sectors would enhance generalizability.

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