

Emerging Leadership Skills in Global and Multi-Cultural Organizations

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Abstract

Leadership is a key element of all organizations, but its function and capacity are getting more complicated with increased participation in globalization and technology development (Punnett, 2004). The importance of effective leadership in cross-cultural management has been highlighted in the literature (Nguyen & Umamoto, 2009). Technological advances extend the possibility of global economy which has changed the way people do business and communicate. Cross-cultural managers must look at the world change as a challenge and an opportunity for organizational growth and individual development. In addition, to handle with the changes, international business educators and organizers need to respond rapidly to the impacts of demographics, technology, and globalization in order to offer specific job skill development on global leadership, work ethic, and continuous learning (Aggarwa, 2011). Since globalization and technology have been accelerating business changes and generating challenges, today's global leaders need to obtain a set of competencies that will enable them to implement their vision and lead effectively. How to develop effective leaders with the skills needed to adequately deal with organizational challenges has been a challenge for all organizations (Amagoh, 2009). Global leaders must be prepared with the leadership skills required in the multicultural workplace. In other words, important leadership components and significant global leadership skills need to be identified to improve international leaders' competitiveness and performance efficiency. Thus, the purposes of this study required to (a) observe the new look of leadership in varied workplace development and cross-cultural management, (b) categorize challenges for global leaders, and (c) identify vital leadership skills for success as a global leader in this swiftly moving world.

Keywords: Leadership, Multi-culture, Management, Organizational challenges.

1.1. Introduction

Globalization has significantly added to diversity in the workplace, needful leaders to acquire new skills to negotiate and function in international environments, this is particularly true in the case of multinational corporations where relationships can be complex and mono-cultural management styles can fuel battle. As the world becomes smaller and as information technology and communications improvement, a manager must know how to lead a multicultural team. An organization comprising of people from the same cultural background no longer is the norm. Today you might observe yourself working in the Middle East branch of a U.S. based multinational company amongst employees who are largely from South Asia and dealing with business partners based out of Europe and Australia. But the improved connection among countries and the globalization of corporations haven't resulted in the disappearance of cultural differences. On the contrary, cultural barriers often go up, presenting organizations with new challenges. As the world becomes interconnected via globalization, the number of people living and working outside of their native countries is growing. Therefore, those in the workplace are progressively expected to interact with people from diverse cultural backgrounds, often this means people who speak diverse languages, lead different lifestyles, and come from widely unequal belief systems and cultural backgrounds (Lui and Stack, 2009, Tong, 2011). In addition, this phenomenon of globalization, not only challenges, but also transforms through intellectual alteration, roles and behaviors showed by leaders (Vaccaro, et al., 2010).

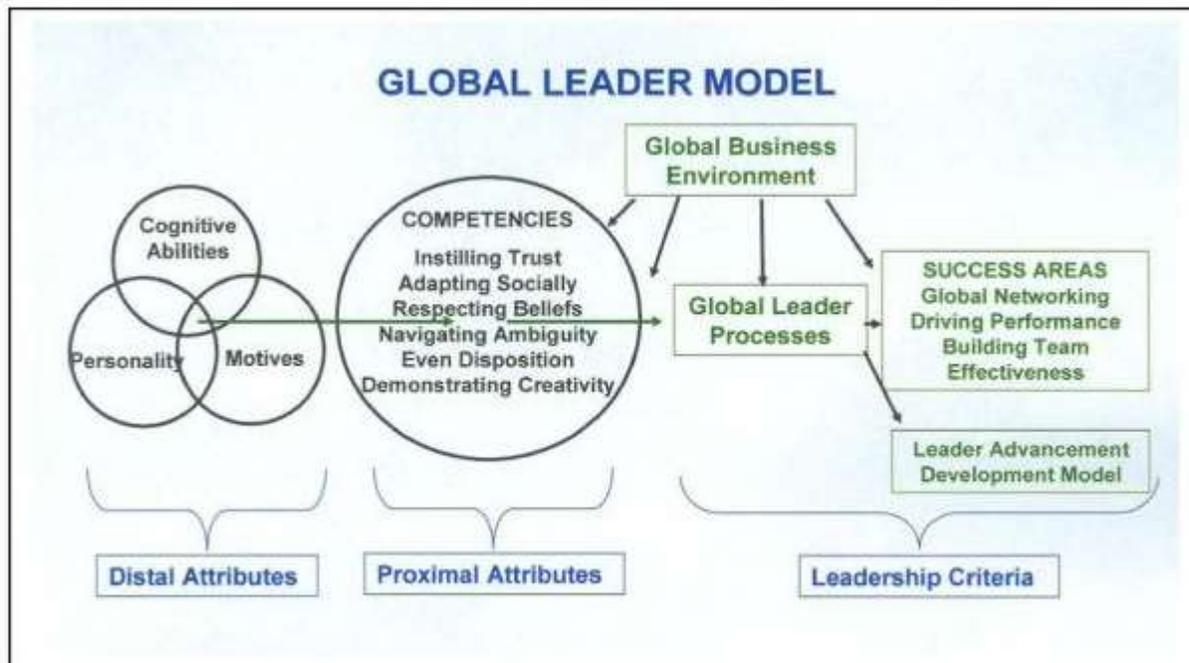


Figure: 1; Global Leader Model

Definitions:

Leadership is the ability to influence others by setting and inspiring example. The example is one that motivates people to pursue goals that benefit the organization. Naturally, leadership involves producing a vision of the organizational future, planning a strategy for attaining that vision, and communicating that vision to all members of the organization.

Dave Strathmann (USA) has defined "A good multicultural leader demonstrates excellence in skills including listening, patience, respect, and helpfulness while remaining courteous. A multicultural leader will show respect for as well as make accommodations to allow individuals of different cultures to interact and contribute comfortably with those of different cultures and beliefs."

Naresh Purushotham (India) has defined "Multicultural leadership is leading a global workforce with distributed teams from across the world having team members drawn from different countries, cultures, languages, religious beliefs, and ethnicity. Great multicultural leadership requires flat organizational structures."

Estelle Miller (Canada) has defined "Multicultural leadership is the ability, in the role of a manager/leader to recognize and understand how cultural background may affect a person's (employee, peer or other) attitude and work performance in different situations. It is also the ability to take this understanding and help people from different backgrounds work together effectively."

Ram Ramesh (India) has defined "Multicultural leadership is leadership that is sensitive to diversity considerations and celebrates and thrives on diversity and all that it can bring if harnessed properly."

Michael Gibson (Canada) has defined "Multicultural leadership is leadership based on embracing the enormous contributions, learning potential, and valuable insights that come from leaders in diverse communities."

Jamie Lord (Australia) stated that Multicultural leadership is being able to lead across a workforce comprised of a diversity of different cultures by understanding different cultural values and context."

Heidi Achong (Costa Rica) has defined "Multicultural leadership is the ability to inspire others from different parts of the hemisphere to work toward a shared vision in a harmonized rhythm despite their cultural differences (not appealing more or less to any one group)."

Jennifer Goodrich (USA) has defined “Multicultural leadership is the understanding that the differences in cultures (communication, norms, perspectives, common strategies) provide an advantage in business. When different cultures are both engaged and respected, the group as a whole will have a stronger possibility of success.”

1.2. Review of Literature

A successful international leader must know what leadership is anticipated and execute it accordingly (Ulrich & Smallwood, 2012). Individuals with different cultural backgrounds may vary in their conception and potentials of leadership. Due to the largely Western and individualistic perspective on leadership, the range to which Western leadership theories apply globally is being questioned. Japanese leadership practice, for example, is different from the West by its cultural traditions and business practices (Takahashi, Ishikawa & Kanai, 2012). To create a leadership that lasts over time, global leaders must show expected competence in cross-cultural awareness and practice. It is important they recognize the significance of leadership and leadership expectations, and to develop and sustain effective leadership strategies for long-term change (Ulrich & Smallwood, 2012).

Effective global leadership is a key to unlock the unknown of working with diverse employees and bring the organizational development and change to the next level. Multicultural teams are defined as teams consisting of “individuals from different cultures working together on activities that extent national borders” (Snell, Snow, Davidson, & Hambrick, 1998, p. 147). Two important aspects of global multicultural teams are that they are culturally diverse and geographically dispersed, and their members typically communicate virtually with each other (Stanko & Gibson, 2009). Therefore, the global multicultural team environment differs in many aspects from that of co-located culturally homogeneous teams and thus represents a complex and dynamic environment (Gibson & Gibbs, 2006).

- **Emerging a Universal Leadership Model:** Morrison (2000) arguments out that global leadership models must draw from many academic disciplines to be able to understand and appreciate the business environment across the world. By using a multi-disciplinary approach, leaders can understand the communities where the organization is existing and have the ability to work with and motivate people in the different cultures. The model also points out that domestic leadership models that work in a particular country will not always work in the global environment. Within the United States, the concept of long-term efficiencies is common in leadership.

Tubbs and Schultz (2006) make the point that there is nothing more important than to define and describe the competencies that make-up leadership within global organization. These competencies need to be defined and defined so that organizations can confirm they are trained throughout the organization so as to help achieve the strategic goals that move the organization forward within the industrial subdivision. The self-confidence of the leader is something that is dominant in the area of personality that must be taken into account when it comes to leadership competencies.

- **Global Leadership Competencies:** Jokinen (2005) discusses Competencies have been defined in the past as moreover behavioral, personality, values and knowledge as the outline to teach and study the core global leadership competencies. He explained that how by increasing the understanding of globalization and the interrelatedness that attends that interconnectedness allows leaders to be able to change the organization to meet any challenges the organization may encounter. The competencies that should be taught and instructed within the organization must be directly related to their global business strategy. The organization needs to have a framework within which to look at the organizational strategy, so the competencies can be taught throughout the organization. Without a meta-framework, any organization will not have the ability to coherently analyze the strategies and then place the learning in the context of a holistic system for teaching.

Competencies have been defined in the past as either behavioral, personality, values and knowledge as the framework to teach and study the core global leadership competencies Jokinen (2005) identifies three areas of core global leadership competencies that must be addressed and studied i.e. behavioral, cognitive, and core competencies. Jokinen suggests the core competencies of self-awareness, inquisitiveness, and personal transformation as the driving factors in the study and practice of global leadership. The core competencies all stress the importance of continuous learning the application of the knowledge that was learned. These core competencies are viewed as the forces that move the other two competency areas of behavior and cognitive.

- **Leadership in Various Workplaces:** Okoro, (2012) explained a sustainable advantage of globalization depends on the skills and abilities of a leader who can manage diversity and implement increasingly complex business strategies. Effective workforce diversity management is a key to global business success In search of leadership effectiveness in today's globalized world, cross-cultural leaders need to be able to achieve culturally diverse settings efficiently, known as a capability of cultural intelligence or cultural quotient CQ (Rockstuhl et al., 2011). Since CQ is significantly related to individual international experiences (Lovvorn & Chen, 2011), global leaders should be aware and appreciate the diversity they face in leadership practices. The following phenomena are identified significantly challenging international leadership practices in diverse workplaces.
- **Group Dynamic:** Group dynamic plays an influential role in global leadership practice. Different leadership styles and management approaches must be applied depending upon group dynamics and circumstances (Punnett, 2004). A critique or judgment can significantly affect individuals' behavior and values when the environment is shaped by the same group pattern or thought. In many cases, leadership is often influenced by the perceptions of the peers, subordinates, and superiors (Heller, 1982). A number of group dynamic processes of norms, roles, relations, and behaviors are normally created to separate group members from others. Each of these group dynamics plays an important role in shaping the global leadership with a strong impact on organizational culture and climate. Group dynamic is the key for cultural innovation (Ragir & Brooks, 2012). However, team size can affect group dynamic, as well as leadership. For instance, a formal or autocratic leadership is needed for direction when the group size is large (Lussier, 2005). Dynamic cross-cultural competencies are accordingly vital to global leaders and managers, which can be enhanced by personality characteristics and cross-cultural experiences development (Caligiuri & Tarique, 2012)
- **Combined Organizational Culture:** More managerial and professional positions are occupied by females, and more diverse cultural groups, lifestyles, ages, and abilities are seen in the workplace (CarrRuffino, 2005). A wide range of people brings different challenges and advantages in terms of ideas, creativities, styles, and innovations into the workplace. In such combined organizational culture, any racism, sexism, or ageism can easily cause organizational loss of innovative potential and failure in global market (Parvis, 2003). Organizational culture distresses business success (Khana & Afzalb, 2011). Effective global leaders must increase their capabilities to manage the difficulty of diverse people, understand and respect differences, make necessary alteration in the leadership, and be ready for opportunities and challenges that come alone. As the leaders are the most powerful key to organizational performance, it is vital for human resource development professionals to support leaders to resolve racially diverse issues through leadership development (Byrd, 2007). To enhance organizational competitiveness and performance, core organizational values (e.g., performance excellence, innovation, social responsibility, worker involvement, and quality of work life) should be emphasized (Khana & Afzalb, 2011).
- **Diversity in Culture:** One important variable that should be considered in leadership is cultural context (Gutierrez, Spencer & Zhu, 2012). Work ethics, behaviors, communication styles, and management-labor relationships are different from country to country. Leadership competence is conceptualized differently in different countries (Kowske & Anthony, 2007). In high context countries like Japan, China, and South Korea employees tend to prefer indirect messages and trust heavily on nonverbal codes; though, employees from low context countries (e.g., Germany and Great Britain) tend to communicate directly and paradigm

more information in messages (Hackman & Johnson, 2004). In accordance with different cultural expectations, different cultural groups have different expectations of leadership, and this can affect the behaviors of employees and managers. It is critical that employees are aware of their leaders' appreciation for individual cultural differences without personal bias (Nguyen & Umemoto, 2009). Since cooperative relationships are often observed in Asia countries, most of the Asians tend to feel individual praising will influence group harmony, and the manager should praise the entire group rather than one specific group member (Lussier, 2005). By doing so, the leaders can better achieve their responsibilities of making a multi-cultural workplace and a strategic foresight of organizational innovation

- **Gender Differences:** Morosini, (2005) explained genders are two different species in terms of genetics, psychology, and work-related management. Females tend to hear what and how it is being said and display greater levels of interest in interpersonal relations; in contrast, males tend to hear only what has been said and display greater levels of aggression (Morosini, 2005). Men are usually expected to be an destructive and tough leader while women are characterized as emotional and unconfident followers with the need of protection. Women tend to have different qualities in their working styles, and such differences can underwrite to necessary behavior, thought and leadership; though, gender bias has interfered in obtaining their leadership positions (Ely, Ibarra & Kolb, 2011; Vinnicombe & Singh, 2003).

To solve this problem, developing a women-only leadership program has been proposed and used to assist women leaders toward senior leadership roles. For example, a national New Zealand Women in Leadership Program has operated for five years, and the program has been a success on individual and organizational levels to increase participants' self-confidence, networking skill, and opportunity for job promotion (Harris & Leberman, 2012). As the number of working women continually increases, understanding gender stereotype can assist multicultural leaders to build positive relationships and avoid biased management decisions (Carr-Ruffino, 2005).

- **Women as Leaders:** Research indicates that men's attitudes toward women in the workplace are gradually changing as more women enter the workforce and assume leadership positions within global organizations. The number of women in leadership positions has increased steadily since 1970. Women occupy slightly over 25 percent of the supervisory position in U.S. industry and just 11 percent of senior executive positions, although they represent 51 percent of the world population (Sellers, 1999). Studies show, however, that both men and women executives believe women have to be exceptional to succeed in the business world. Women leaders still face disadvantages in business and feel they must work tougher than men to succeed (Rosener, 1990). In the past, successful leaders have been related with conventional masculine attributes such as competitiveness, task orientation, and willingness to take risks. However, a trend exists of more women making their way to the top who are not only accepting styles and attitudes they have developed from their experiences as women (Parry, 2000).

Generally, women are more likely to use behaviors that are associated with transformational leadership, such as reliance on expertise, charisma, and interpersonal skills. Men, on the other hand are more likely to be instruction in their approach to leadership within the organization (Parry). Recent studies, however, show that female middle and top-level executives no longer equate successful leadership with these masculine attributes. Experienced female managers demonstration no differences in leadership ability from their experienced male counterparts. Both groups possess a high need for accomplishment and power, and both demonstrate forcefulness, self-reliance, risk taking, and other traits and behaviors associated with leadership. Once men and women have established themselves as leaders in organizations, women do not behave differently than men (Powell, 1990).

1.3. Challenges for Global Leaders

A quite flexible relationship between global leaders and their followers is vital in the workplace. Globalization, technologic innovation, demographic changes bring a tremendous transformation into human life and work. For organizations to remain competitive in the global market, a close emotional codependent link and an ongoing development of trust and loyalty between leaders and followers must be established. A greater manager-

employee relationship can significantly influence members' behaviors and increase the degree of their commitment to the leader and the organization (Lussier, 2005). The relationship can be enhanced by spending time together and considering the members' needs, expectations, and values. Global leaders cannot have an outstanding performance without the capability to guide and influence employees to work toward the organizational goals.

Technology plays an important role in global policies, economics, and culture and shapes the structure of the global system (Fritsch, 2011). Technological improvement has not only saved time and money for a greater organizational profit and a better quality of life but has also created a global village with shared regulation, language, and values. The business and the nature of work are changed by technology (Aggarwa, 2011). It makes distance learning and telework happen. Online learning is a normally used training strategy, and both web meeting and e-mail are must-have tools for organizational communication. Virtual workforce, virtual organizations, and e-leadership are also developing from technology development. Different leading tactics are thus compulsory in the new virtual working environment (Wang, 2011).

However, it also creates problems of distance and disconnection on human relations. As technology has made its growth and impact on global organizations, traditional leadership can no longer fully assist managers to lead the employees who work at different places or nations. International organizations demand the cross-cultural managers using suitable leadership skills to stimulate and influence diverse employees. There is a strong consensus that acquisition of effective leadership skills will bring the organization through global transformation confusion and contribute to a maintainable advantage (Amagoh, 2009; Caligiuri & Tarique, 2012; Ulrich & Smallwood, 2012). Though they come from all parts of the world, leaders consistently face some kind of challenges like Developing Managerial Effectiveness, Inspiring Others, Developing Employees, leading a Team, Guiding Change and Managing Internal Stakeholders and Politics.

1.4. Important Leadership Skills to become a successful Global Leader

Successful leaders are the influence and intellect behind their organizations. They are the visionaries charged with routing their brand around pitfalls. They must know when to seize opportunities and how to convention employees to work hard toward their company's goals. Seeding high-potential talent, selecting top performers for development and stretch assignments, and securing a future for them at the company beyond their own borders signals to those at headquarters that you are thinking and acting like a global leader. Global leaders should understand globalization has differing effects on countries and people (Swanson & Holton, 2009). Since global leaders' job purposes and responsibilities are more compound and difficult than before, a future-oriented and flexible leadership style is compulsory. Organizations need specific leadership development approaches for effective leadership and organizational presentation (Amagoh, 2009). To keep pace with the rapidly changing environment, leaders need more interpersonal skills to meet current and future challenges.

The following are important leadership skills that global leaders should own:

- **Encourages and motivates others** - Great leaders create a vision of the future that is vivid and compelling, and that motivates employees to want to achieve it. Everyone wants to work for a company that makes a difference in the world. As a leader, you are best able to help the members of your team connect what they do to the impact it has on customers and communities.
- **Shows high honesty and morality** - Great leaders are honest and clear and have high morality they do what they say they are going to do, and they walk their talk. As Umpqua Bank CEO Ray Davis said in his book *Leading Through Uncertainty*, "I always tell our people that they're entitled to get answers to every question they have.
- **Initiatives for results** - Some people are happy to sit back and watch the world go by, while others aren't unless they are making things happen in their organizations. Great leaders have a advanced level of determination, stick-to-itiveness, and drive than most anyone else, and they can be tallied on to get things done.

- **Resolves problems and examines issues** - Eventually, leaders are recruited, trained, and chosen to solve organizational problems, and to take advantage of opportunities in the marketplace. This involves not only excellent logical abilities, but also above average people skills.
- **Communicates strongly and productively** -Great leaders communicate with their people frequently, and in a diversity of different ways. Whether it's by means of one-on-one conversations, team meetings, blog posts, email messages, phone or Skype calls, or any other such medium, leaders don't talk about communicating they just do it.
- **Demonstrate technical or professional expertise** -Utmost leaders start out in business with a specific skill, such as selling, or accounting, or designing software. The best leaders build on their technical and professional skills over time, becoming appreciated experts in their field *and* skilled at leading their team.
- **Builds strong relationships** -Business is built on a compacted foundation of relationships and faith. Without these two things, you can't have a business, or at least not a *successful* business. Leader should take time every day to build relationships with the members of the team, customers and vendors. The stronger your relationships, the better a leader you will be.
- **Displays a strategic outlook** -Great leaders have a long-term vision of the future, and they avoid attainment bogged down in the here and now. While they can be tactical when necessary, they maintain the strategic outlook necessary to guide their businesses to the best future possible.
- **Innovates** -"innovation is the main lever to create a more competitive economy." The ability to innovate is a key skill for *every* great leader.
- **Progresses others** -Just as they work to continuously develop and build their own technical and professional expertise, the best leaders set aside time (and money in their budgets) to develop their work force. They look for the most hopeful employees and provide them with the training they need to become their company's next generation of great leaders.

1.5. Conclusion

The Leadership skills approach takes into account the knowledge and skills that the leader has. A leader can learn certain skills and turn himself into an extraordinary one. Due to globalization, technologic innovation, and demographic changes, international organizations are looking for effective leaderships for diverse workforce management. The current technologically explosive era creates a global village where people work together without geographic and psychological boundaries. The fast-growing technology development not only helps the organization increase its production and profit but also assists leaders enhance efficiency of team work and activities (Dubrin, 2004). Leadership in such global environment conditions comprises cultural awareness, global mindset, interpersonal skills, and effective manager-employee relationships. Global leaders need to progress leadership skills demanded in a global context. With ever increasing globalization and change, leaders will be challenged to manage relationships more than in the past. This will include the ability to interrelate efficiently with diversity of partners and other businesses and within the larger context of differing cultures. Global business management and human resource development groups would be useful by frequently discovering and empirically investigating the essential leadership skills for global leaders.

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