Cross Cultural Management 006

Learning Outcomes

- Understanding Global Leadership

- Leaders Vs. Managers

- Dimensions of organizational leadership

- Cross-cultural leadership approaches

- The GLOBE Research

- Women Managers & the trend

- Common traits of Effective business leaders

Global Leadership

1. Leading the organization
2. Leading people and managing relationships
3. Managing self

   It involves a holistic, all-inclusive and boundary-spanning world view. One that goes well beyond cultural differences and spans across contexts, employee backgrounds, organizational functions, cultures, languages, geography and national borders.

The Challenge

- Leadership is not a quality or skill that can be easily replicated around the world

- Based on fundamentally different traditions and assumptions ; e.g., Singapore & the Netherlands

- Global leadership is both an important topic and a topic about which we understand far less than we pretend

Do we actually understand leadership?

- There are various types
- Several theories
- Empirical research on their behavior
- One is born with the skill or can we train people to be good leaders
- If one is a successful leader in a specific situation or region, would that person be always a good leader and would he/she deliver under all circumstances?

Does leadership varies across the globe?

- The leadership processes can vary significantly across geographic regions

- The American Type:
  - "leadership is like beauty; it is hard to define, but you know when you see it"
  - Some cultures like of France, Russia and the USA
    - Prefer leaders who take charge and are visible and assertive

Contd…Does leadership varies across the globe?

- The Chines philosopher Lao Tzu, " A leader is the best when people barely know he exists, who talks little, and when the work is done and the aim fulfilled, people will say, we did this ourselves"

- The Chinese & Japanese cultures prefer leaders who are much less visible and move behind the scenes to accomplish things

Contd…Does leadership varies across the globe?

- Cultures like in Mexico & Spain, prefer leaders who stand above the crowd and command respect
  - Over the top

- People in Malaysia & Laos prefer leaders who are humble and remain part of the crowd

A Manager Vs. A Leader

- People have tried to develop 2 different constructs of a manager and a leader
- Management focus on operational issues in getting things done through people
  - Planning, Decision-making, Controlling & Coordinating
  - Mundane (Routine)
- Leadership involves the influence processes through which managers accomplish the task
  - Surreal
  - Sexy

Global Managers

- A combination of both
  - Management
  - Leadership
- Leadership is the ability of a manager to influence, motivate, and enable others within the organization to contribute towards the effectiveness and success of the enterprise
- Integral & Inseparable part of good Management
- Would understand and act in the context of on-the-ground-situations and cultural realities

Dimensions of Organizational Leadership

- Strategic Leadership
  - Corporate Mission
  - Objectives and corporate culture
  - Manage Corporate Mission
- Managerial Leadership
  - Operational control & accountability
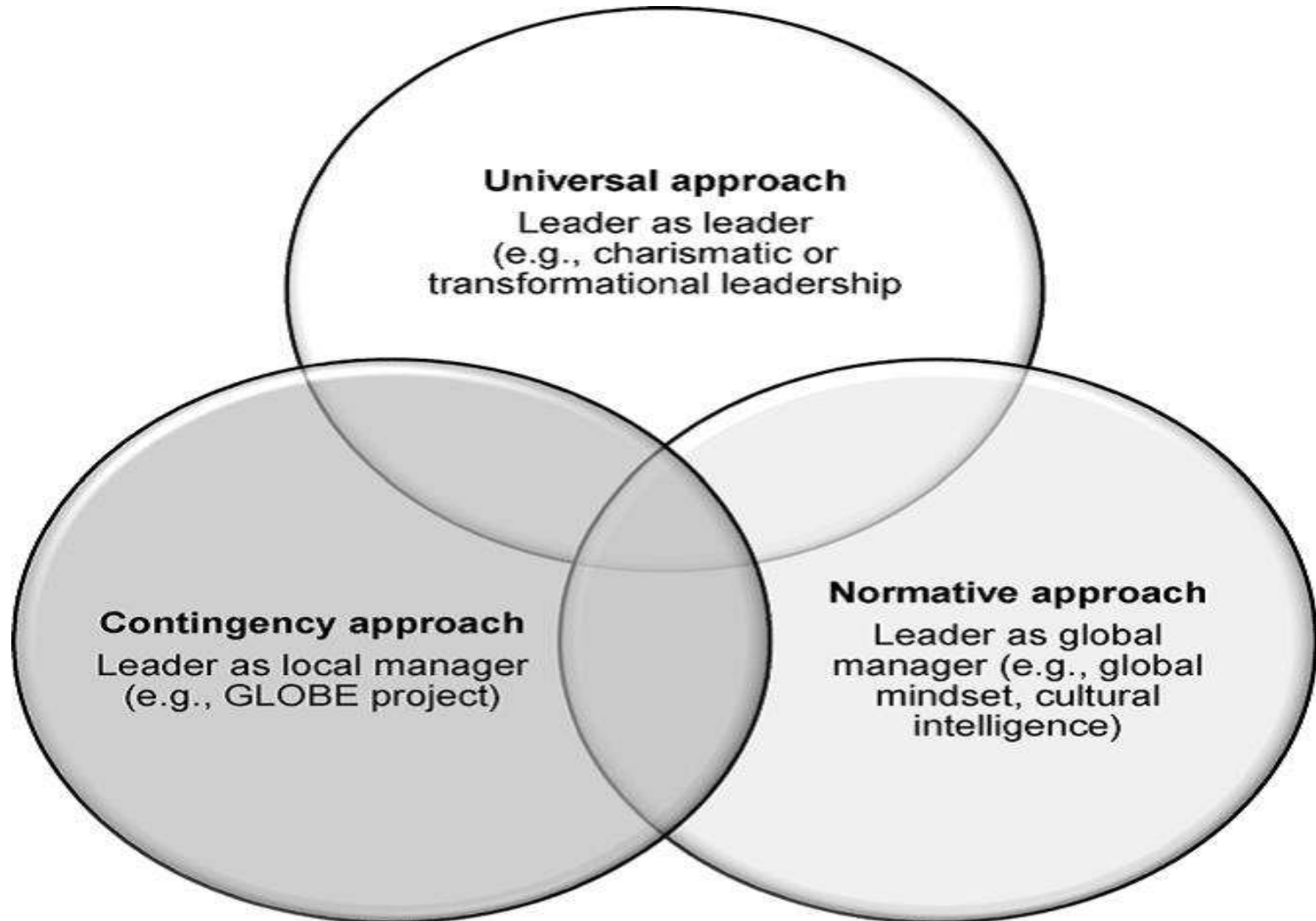 - Manage performance

Contd…Dimensions of Organizational Leadership

- Team Leadership
  - Team Cohesion
  - Direction & Performance
  - Manage Processes
- Ethical Leadership
  - Ethical behavior & social responsibility
  - Manager corporate values
  - Goodhart's Law…

The challenge for global leaders

- How to adapt their leadership style to fit local circumstances in order to achieve corporate objectives

Cross-Cultural Leadership

Universal approach
Leader as leader
(e.g., charismatic or
transformational leadership

Contingency approach
Leader as local manager
(e.g., GLOBE project)

Normative approach
Leader as global
manager (e.g., global
mindset, cultural
intelligence)

Contd…Cross-Cultural Leadership!

- Universal Approach of Leadership
  - Transformational Leadership (Charismatic)…vision of where they should go
  - Transactional Leadership…exchange relationships with employees that largely determine results
  - Gate-Keeping Leadership (Japanese?)…reduce barriers to successful performance among their subordinates
  - Carlos Ghosn of Nissan

Contd…Cross-Cultural Leadership!

- Normative Approach: Leaders as Global Managers
  - To focus enduring personal skills that are thought to characterize effective global managers
  - This model is prescriptive in nature, and suggests how managers should approach leadership in global context
  - Common traits & abilities
  - A Global Mindset

Contd…Cross-Cultural Leadership!

- A Global Mindset
  - An openness and attentiveness to multiple realms of action & Meaning
  - A Complex representation and articulation of cultural & strategic dynamics
  - A mediation & integration of ideals and actions oriented towards global & local levels alike
  - Cosmopolitanism & Personal Resiliency

Contd…Cross-Cultural Leadership!

Contd…Cross-Cultural Leadership!

- Iceland & Audur Capital
  - A Financial & Investment Company
  - Emotional Capital
  - Profit with Principles
  - Greater Female Values

Contd…Cross-Cultural Leadership!

- Contingency Approach: Leader as Local Manager
  - No universals
  - Modify behaviors to suit unique local environments
  - Leadership as a culturally embedded process

  - Tokyo Electric Power Company (TEPCO) & the actions of their leaders post 2011 natural disasters
  - Masataka Shimizu

Need Cosmopolitan Approach

- There are variations in local expectations
- Leadership has to be seen in the cultural construct

Key Points!

- Leadership is a cultural construct
- Not a western construct that you expand to global dimensions
- In most of the Anglo-Saxon countries, leadership has positive connotations. They tend to be respected, admired, and at times, revered. Not a universal truth
- Leaders can draw distrust, and fear of power in Egypt, Mexico & Romania

Contd…Key Points!

- In many countries leaders have subordinates and followers (in the west)
- In the Netherlands, the subordinates are referred to as co-workers and the leaders avoid appearing condescending

Contd…Key Points!

- In Individualistic societies, leadership typically refers to individuals

- In Collectivistic societies, leadership is often less associated with individuals more aligned with group endeavors

Contd…Key Points!

- In Hierarchical societies, leaders are seen as being separate and apart from their followers

- In Egalitarian societies, they are often seen as easily approachable and less intimidating (Sweden Denmark)

Culture & Leader Expectations!

- The Why's & How's are also important along with What's & Who's
- The Malaysians expect their leaders to be humble, modest & dignified
- The Japanese leaders are expected to focus more on developing a healthy relationship with their employees
- The Dutch emphasize on Egalitarianism and are skeptical about the value & status of leaders
- The French expect their leaders to be cultivated
- Patronage & *pok chow* in Malaysia

The Globe Research: 62 Countries
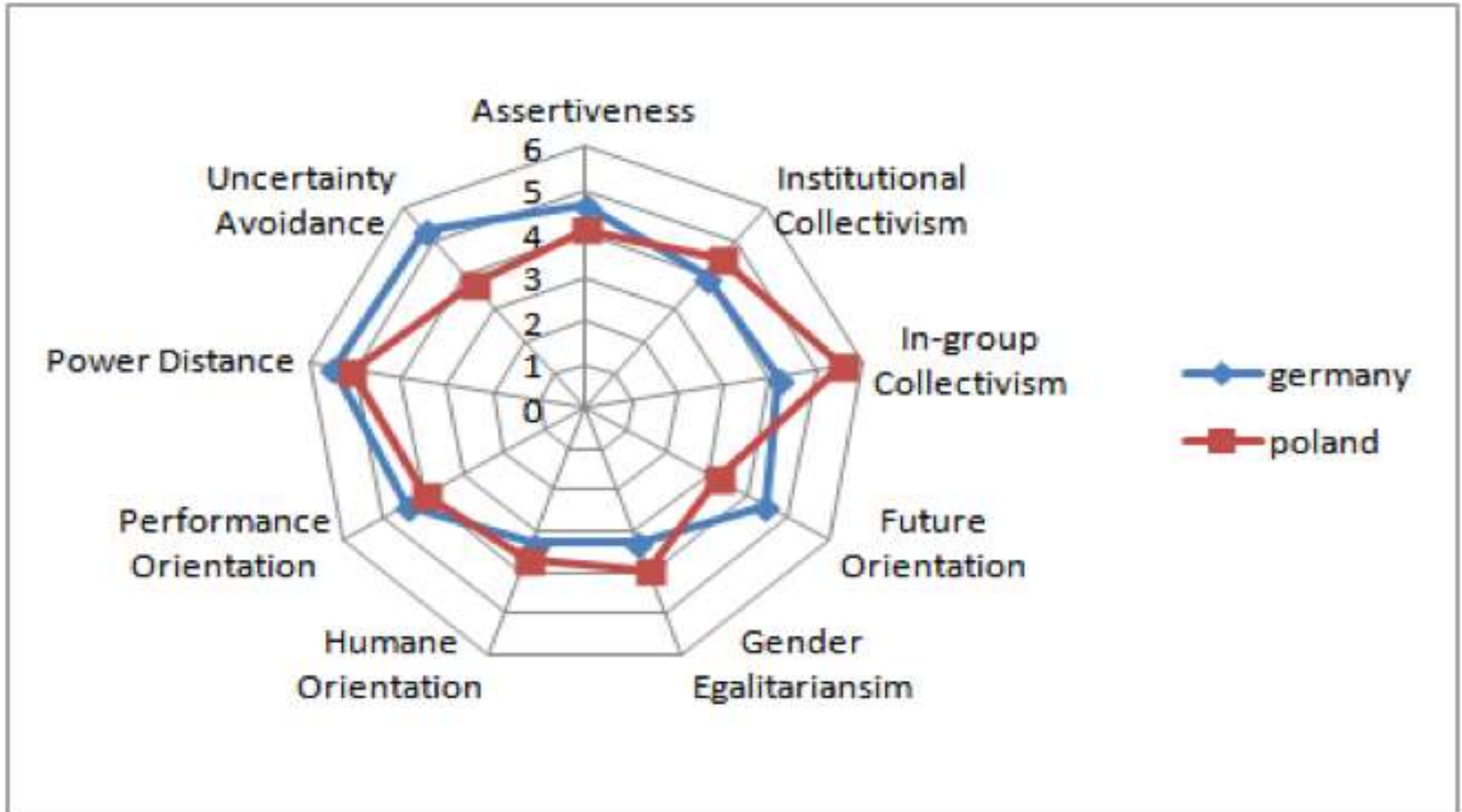
Contd…The Globe Research: 62 Countries

Globe Study's 22 Leadership Attributes

Trustworthy	Foresight	Positive	Confidence builder
Intelligent	Administrative skills	Excellence oriented	Win-win pb. solver
Just	Plans ahead	Dynamic	Motivational
Decisive	Communicative	Coordinator	Honest
Encouraging	Motive arouser	Dependable	Effective bargainer
Informed	Team builder		

Contd...The Globe Research: 62 Countries

	LEADERSHIP STYLE	BEHAVIOR	CHARACTERISTICS
most desirable	CHARISMATIC/ VALUE-BASED	✓ stresses high standards, decisiveness, and innovation ✓ seeks to inspire people around a vision ✓ creates a passion among them to perform, and does so by firmly holding on to core values	visionary, inspirational, self-sacrificial, integrity, decisive, and performance-oriented
	TEAM-ORIENTED	✓ instills pride, loyalty, and collaboration among organizational members ✓ highly values team cohesiveness and a common purpose or goals	collaborative team orientation, team integrator, diplomatic, and administratively competent
	PARTICIPATIVE	✓ encourages input from others in decision-making and implementation ✓ emphasizes delegation and equality	non-autocratic
	HUMANE	✓ stresses compassion and generosity ✓ it is patient, supportive, and concerned with the well-being of others	modesty and humane-oriented
least desirable	SELF-PROTECTIVE	✓ emphasizes procedural, status-conscious and 'face-saving' behaviors ✓ focuses on the safety and security of the individual and the group	self-centered, status-conscious, conflict inducer, face saver, and procedural
	AUTONOMOUS	✓ independent, individualistic, and self-centric	autonomy

Globe Study: Brazilian Model

- Brazilian Leaders tend to be more Charismatic, Participative & Tea Oriented
- The Leader's vision is as important as his/her technical abilities
- Relationships based on Trust & Respect for Personal Dignity
- Brazilian Managers often rely on LUCK & IMPROVISATION
- Jeitinho (Last Minute approach of Finding Solutions)
- Jogo de cintura: Indian Jugaad?

Women Leaders!

- Today, women own & manage more than 30% of all businesses

- They represent around 24% of all employers in all regions, except the MENA region

- The proportion of women managers has increased over the last 20 years (ILO); a range comprising of 43% in Russia & only 9% in Japan

Grooming Women Managers

- Only 11% of businesses globally have a program to support & mentor women
- 70% of the companies not even considering starting such a program
- Women represent more than 20% of board members in 4 countries (Finland, Switzerland, Norway & the UK)
- But the data substantially declines when it comes to having women as chairperson of a company board

McKinsey Report

- European companies with more women in the top management teams had 17% higher stock price growth, and their average operating profit was almost double their industry average

- Why??????

- Women business leaders are doing much better in India than in Pakistan …Why???

Chinese Leadership

- The quest to understand the Chinese Leadership for obvious leadership…not decisive and ambiguous???

- Need to dig deeper (Passivity towards Yin & Yang???)

Pointers for Global Managers

1. Understand Yourself as a Leader

2. Clarify Leadership Expectations

3. Manage Leader Behavior

Common Global Traits

1. Focus on 'We' not 'I'
2. Accept Full Responsibility
3. Do the Right Thing
4. Be a Visionary
5. Be Passionate About Winning
6. Keep a Positive Attitude
7. Build Strong Relationships
8. Be Composed During Tough Times
9. Listens to Others
10. Celebrate Progress