Global Leadership and cultural diversity

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Introduction

As the world is shrinking through globalization, more and more people live and work in foreign countries and thus they continually come into contact with the people coming from very diversified cultural origins, involving language, norms, lifestyle, etc. (Zakaria, 2000). Appelbaum et al (1998) Increased globalization has created many challenges, including the need to design effective multinational organizations, to identify and select appropriate leaders for these entities, and to manage organizations with culturally diverse employees. Improvement and management of the people on a global scale inevitably requires dealing with cultural diversity and the problems regarding this –matters of motivation, leadership, productivity, authority, etc. Globalization has created a need to understand how cultural differences affect leadership performance.

Globalization has also created the need for leaders to become competent in cross-cultural awareness and practice. Adler and Bartholomew (1992) contend that global leaders need to develop five cross-cultural competencies. First, leaders need to understand business, political, and cultural environments worldwide. Second, they need to learn the perspectives, tastes, trends, and technologies of many other cultures. Third, they need to

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be able to work simultaneously with people from many cultures. Fourth, leaders must be able to adapt to living and communicating in other cultures. Fifth, they need to learn to relate to people from other cultures from a position of equality rather than cultural superiority. Additionally, Zhu (2009) believes that global leaders need to be skilled in creating transcultural visions. They need to develop communication competencies that will enable them to articulate and implement their vision in a diverse workplace.

In sum, today's leaders need to acquire a challenging set of competencies if they intend to be effective in present-day global societies.

Defining a "leadership" in a cross-cultural context

"Leadership" means different things to different people. Bass (1990) states that there are almost as many ways of defining leadership as there are persons who attempted to define the concept. Definitions of leadership vary in terms of emphasis on leader abilities, personality traits, influence relationships, cognitive versus emotional orientation, individual versus group orientation, and appeal to self-versus collective interests. Definitions can also vary in whether they are primarily descriptive or normative in nature as well as in their relative emphasis on behavioral styles. Leadership is sometimes distinguished from management or seen as one of several managerial roles. Foti et al (1992) states that most definitions of leadership emphasize three main elements: "group", "influence" and "goal". Table 1 "Several Definitions of Leadership" presents several of such definitions of leadership. As the word "leader" can be interpreted differently within a language or culture (see Table 1), one can imagine that the interpretation of the term "leader" varies even more across cultures.

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Table 1 Example of Definitions of Leadership

Definition	Source
Leadership is the influential increment over and above mechanical compliance with the routine directives of the organization.	Katz & Kahn, 1978
Leadership is the process of influencing the activities of an organized group toward goal achievement.	Rauch & Behling, 1984
Leadership as influence processes affecting the interpretation of events for followers, the choice of objectives for the group or organization, the organization of work activities to accomplish the objectives, the motivation of followers to achieve the objectives, the maintenance of cooperative relationships and teamwork, and the enlistment of support and cooperation from people outside the group or organization.	Yukl, 1994
Leadership is the ability of an individual to motivate others to forego self interest in the interest of a collective vision, and to contribute to the attainment of that vision and to the collective by making significant personal self-sacrifices over and above the call of duty, willingly.Shamir, 2001	Shamir, 1993
Leadership is defined in terms of a process of social influence whereby a leader steers members of a group towards a goal.	Liu, 2009

An extreme example is that the German word "Führer" is a literal translation of the English word "leader". "Führer" however, has an understandably strong negative connotation in Germany, making its meaning different from the word "leader" which is interpreted in a far more positive sense in Anglo-Saxon countries. The negative historical connotations of words like "führer" are usually not the focus of the research, making this an issue that warrants attention when conducting a cross-cultural study. Even a similar interpretation of the word "leader" should not be taken for granted in cross-cultural research. Translation of questionnaire items and interview questions can thus be difficult especially because some cross-cultural differences impair trying to capture similar meaning of concepts through translation of items.

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Culture and Leadership

Culture is simply defined by Gill (2006) as 'the way we do things around here'. It is characterized by overt and covert rules, values, guiding principles, habits and psychological climate. The culture of countries was originally examined from an anthropological or sociological one as opposed to a business one, although the development of globalisation has thrown the national culture issue much higher up the agenda for business people who are working in countries other than their own. Using the word 'culture' for both nations and organizations suggests that the two kinds of culture are identical phenomena; a nation is not an organization and the two type of 'culture' are of a different nature (Hofstede, 1991).

Culture is learned, shared and transmitted from one generation to the next and also presents itself on different levels. Within the bounds of a nation are people who share essential attributes, such as values, language and race and there is a feeling of "we" whereas foreigners are "they" Culture gives people a sense of who they are, of belonging, of how they should be doing and culture impacts behaviour, morale and productivity at work and includes values and patterns that influence company attitudes and actions (Harris et al, 2004).

Research has shown that culture moderates the relationship between leadership and employees' outcomes. Walumbwa & Lawler (2003) found that collectivism strengthens the Paternalistic leadership: hierarchical relationship in which a leader guides professional and personal lives of subordinates in a manner resembling a parent, and in exchange expects loyalty and deference effect of transformational leadership on employees' job

satisfaction, organizational attitudes,and turnover intentions. Similarly, Shin & Zhou (2003) found that transformational leadership enhanced creativity in followers with high, rather than low, conservatism values in Korea. Newman & Nollen (1996) found that participative leadership practices improved profitability of work units in countries with relatively low power distance but did not affect profitability in high-power-distant ones. Dorfman & Howell (1997) showed that three leadership behaviors (leader supportiveness, contingent reward, and charismatic) had a positive impact on employee outcomes across five countries, but three leader behaviors (participation, directive leadership, and contingent punishment) had differential impact. For example, contingent punishment only had a leadership only had a positive effect in Taiwan and Mexico. Elenkov & Manev (2005) showed that level of innovation in Russian culture is facilitated by charisma, demonstration of confidence, and idealized influence as well as active and passive management by exception, whereas in Sweden it is facilitated by inspirational motivation and intellectual stimulation. Finally, Agarwal et al. (1999) found that initiating structure decreased role stress and role ambiguity in the United States but not in India, whereas consideration decreased these negative experiences and enhanced organizational commitment in both cultures.

In one stream, there are writers (e.g. Cox and Blake; Mandrell and Kohler-Gray) arguing thata culturally mixed workforce holds a potential competitive advantage for organisations. According to the defenders of this view, cultural diversity and a multicultural structure are the facts that are definitely to be backed up for the organisations of our day which target high performance. For instance, Liu (2007) signifies that many organizations believe they can increase their flexibility and responsiveness in globally

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competitive market environments through deployment of transnational project teams. But contrary Sing. Kavita (2010) described in his book that Individual's goals, preferences, and behaviors may be seen to emanate from the social roles that they are actually given from as a function of individuals and their cultural values and beliefs about appropriate roles. She explained that people tend to be feeling comfortable with people whom they perceive to be similar to them. A group which comprises of culturally diverse individuals generally gets isolated in a homogeneous organization. The exclusion of the talented members from the activities of the group can result in reduced performance and efficiency of the group. This alienation can also result in high employee dissatisfaction, thus leading to high employee turnover. Because of the different style of working and learning of these employees, leaders may sometimes consider these employees to be misfit for the organization. However, if a manager is able to recognize and value these differences, it can enhance the productivity of the organization.

So a leader has to adopt a number of techniques of dealing with culturally diverse work group, e.g. contact, super ordinate goals, and blending of categories and functions. Even effective communication is difficult under the best of conditions. Cross- cultural factors clearly create the potential for increased communication problems. Achieving efficiency at workplace through effective communication in a homogeneous organization is a difficult task. This task becomes more difficult when an organization includes employees of diverse cultural backgrounds. The greater the differences between the backgrounds of the sender and receiver, the greater will be the difficulty in interpreting each other's words and behaviors.

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Managing cultural diversity

A clear implication for business leaders in the global context is the need to become aware and respectful of cultural differences and cultural perspectives (Hughes et al, 2009) If the operations are contracted to a company abroad, then each company needs some cultural awareness to anticipate and understand the other company's reaction (Daniels and Radebaugh, 2001). Culture consist of specific learned norms based on attitudes, values and beliefs, all of which exist in every nation and these regional, ethnic and religious cultures account for differences within countries; ethnic and religious groups often transcend political country borders . The global leader, sensitive to cultural differences, appreciates a people's distinctiveness and seeks to make allowance for such factors when communicating with representatives of that cultural group (Liu 2004) To understand the differences between domestic and global management, it is necessary to understand the ways in which cultures vary and cross-cultural management describes organizational behaviour within countries and cultures, compares organizational behavior across countries and cultures and seeks to understand and improve the scope of domestic management to encompass the international and multicultural interaction of co-workers from different countries and cultures (Miroushnik, 2002).

To increase effectiveness across cultures, training must be the focus of the job, while education thought of with reference to the individual and development reserved for organizational concerns (Harris et al, 2004). Warner and Joynt (2002) suggests all managers who wish to learn manage interculturally must manage to learn the culture. Culture general training is

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about providing individuals with information they can use when finding themselves in any new culture; by guiding the learner through a range of experiences and developing with them a range of skills with which they can face new cultures. Culture general approaches tend to be experiential in nature and seek to provide individuals with experiences that mimic closely as possible the types of experience they are likely to encounter when coming into contact with those from other cultures. Cross-cultural management, an international journal Embleton and Hagen (1992) indicate the importance of training on this area; business culture training is an important element in ensuring a smooth transition towards becoming a truly international organisation whether you are a large or small company - or even a one-person band. According to Embleton and Hagen (1992), business culture training enables a person to improve their all-round overseas capability even further.

'Cultures begin with leaders' writes Schein (2004) 'who impose their own values and assumptions on a group'. He goes on to say: 'If that group is successful and the assumptions come to be taken for granted, we than have a culture that will define for later generations of members what kinds of leadership are acceptable'. In the past, many assumed that cultural differences were barriers that implied communication and interaction. Today, effective global leaders believe that cultural differences, if well managed, are resources, not handicaps (Harris et al, 2004).

Therefore, global leaders must:

- Identify the cultural recipe and how malleable it is,

- Diagnose its features and its layers,

- Ascertain how appropriate the recipe is for the desired strategy,

- Use transformational values and skills to mould the culture (Gilbert, 2005)

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Every culture distinguishes itself from others by the specific solutions it chosen to certain problems which reveal themselves as dilemmas (Trompenaars and Turner, 2000). Some countries are relatively similar to one another, usually because they share many attributes that help hold their cultures, such as language, religion, geographical location, ethnicity and level of economic development (Daniels and Radebaugh, 2001)

Global Leadership in a Culturally Diverse World

Cultural diversity affects the way leaders go about defining their roles as leaders and applying themselves to the responsibilities of leadership and the emerge of leadership, especially the way a leader influences followers is often a product of cultural factors (Phatak et al, 2009). Trompenaars and Turner (2000) compare the Culture to gravity in their "Riding the Waves of Culture" book. They state that you do not experience it until you jump six feet into the air. For example, local managers may not openly criticize a centrally develop appraisal system or reject the matrix organization, especially if confrontation or defiance is not culturally acceptable to them. In practice, though, beneath the surface, the silent forces of culture operate a destructive process, biting at the roots of centrally developed methods which do not "fit" locally. Robinson and Harvey's research paper which published at Journal of management History (2008), they suggested that not every leader will become an effective leader in culturally diverse situations. It is plausible; however, to expect that an organization should be seeking to develop along the values journey and thus will require leaders who are able to shift paradigms ahead of the critical mass of the organization. According to Harris et al (2004), it was assumed that global leaders had a sense of

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ethics and social responsibility to their personnel, customers and community and that expectation was undermined by greedy, unethical and illegal executive behavior that ignored corporate honesty and responsibility. Robinson and Harvey's research paper (2008) summarized the global Characteristics of Global Leadership are an inquiring mind, integrity, the ability to manage uncertainty and tension and emotional connections with people throughout the company's worldwide operations and should have the skills and abilities to interacting manage people from diverse cultural backgrounds who work in the multinational or global corporation in different parts of the world.

Conclusion

Since World War II there has been a dramatic increase in globalization throughout the world. Globalization has created a need for leaders with greater understanding of cultural differences and increased competencies in cross cultural communication and practice. A clear implication for business leaders in the global context is the need to become aware and respectful of cultural differences and cultural perspectives If the operations are contracted to a company abroad, then each company needs some cultural awareness to anticipate and understand the other company's reaction (Hughes et. al. 2009).

A global leader should have the skills and abilities to interact and manage people from diverse cultural backgrounds who work in the multinational or global corporation in different parts of the world. Some of these traits are;

1. A combination of the skills of a strategist with those of a builder of organizational architectures and the ability to coordinate the architecture

dreamlessly,

2. A strong cosmopolitan orientation encompassing the ability to operate flexibility and keep a sensitive eye toward distinctive demands of different cultures in which the cooperation operates,

3. Intercultural communication skills and cultural sensitivity. The role of effective communication cannot be overemphasized. It is critical for a leader develop .appropriate skills to communicate face-to-face as well as through video conferencing, e-mail, and other computer-mediated methods,

4. The ability to accurate rapidly without being judgmental and to be highly selective in perceiving culturally dissimilar cues and processes,

5. Eagerness to continue learning not only about economic, institutional, political and cultural influences relating to how organization function but also about the significance of the meaning of working in different parts of the world Internalization focus on understanding cultural differences, whereas the more advanced are determined to manage and balance cultural diversity and eventually to integrate differences within the overall corporate culture (Czinkota et al, 2009).

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Abstract

Globalization has created the need for leaders to become competent in cross-cultural awareness and practice. A vast number of businesses and companies work outside their country of origin and must take into consideration the views, ideas and culture of foreign employees, suppliers and clients. Leaders must understand the concept of culture and its characteristics before they can fully benefit from the study of cultural specifics. In this paper, the definition of leadership will be discussed in relation to cross-cultural leadership research. Also this paper will pay attention to the interaction between culture and leadership, analyzing what the expecting leader's traits in the multinational corporation is.

Keywords: Leadership, Culture, Globalization.

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