

Management and Leadership in a Global Environment

Kennedy Maranga

Jaime Sampayo

This paper examines, evaluates, and assesses critical elements included in global leaders and managers' scope, addressing challenges that multinational corporations face. It focuses on global leaders' challenges from personal, transformative, and conflict resolution perspectives. The analysis incorporates critical elements found in the research. These critical elements include passion, transformational global leadership, and global leaders' transformative mission, conflict resolution, and global leadership's challenges. Finally, a gap in literature is identified, along with leadership recommendations.

GLOBAL LEADERSHIP AND ITS OVERALL CHALLENGES

Global leadership defined. Global leadership is the exercise of influence involving effectively understanding important differences between people that affect the success of such influence (Friedman, 2007, pp. 379-382; Hurd & Nybert, 2004, pp. 18-19). Global leadership includes a comprehensive structure that enlightens one's thinking about an organization's characteristics and the people who comprise it. Thus, it is generally understood that global leaders are required to work with people of other cultures as coworkers. In addition to valuing differences in customs regarding how work is completed, a global leader should be aware of differences in others' cultures, motivating beliefs, and fundamental behavior systems. Ultimately, global leaders must be able to work with people, while understanding personal and external challenges faced, including conflict management, while working together toward the accomplishment of mutual goals.

Personal challenges: Nirenberg (2002) discussed the personal challenges global leaders face. Leaders must get international experience to learn the emotional dimensions of working in different cultures and with different mindsets. At the same time, they must maintain a supportive network at home to avoid losing out in promotions after returning from overseas. For example, when American leaders go overseas, they are out of the political system in the home office, which diminishes their prospects of climbing the corporate ladder. On the other hand, the Japanese treat returning expatriates as tainted by their international experience. A third example finds that Europeans are more comfortable with international exposure because they believe they are immersed in a multicultural environment from birth.

External challenges: Global leaders and managers address many challenges on a day-to-day basis. In addition to differing challenges, global leadership entails certain external elements that individual leaders are not able to control or handle easily. These issues arise when the world becomes more interconnected and reliant on various sources which may be controlled by others in different countries, with different cultures, and with differing worldviews (Friedman, 2007). In essence, the world has become smaller, with knowledge about industries being able to travel at light-fast speed across continents and without filter. It is when countries and cultures have to work together for the betterment of the entire world, that

there may be issues associated with the interpersonal connections established because of the need to communicate and share information worldwide.

Transformative challenges: Kellowaya, Turner, Barling, and Loughlina (2012) examined the relationship between psychological well-being and transformational leadership. Kellowaya, et al (2012) found that management-by-exception and laissez-faire behaviors negatively affected employee psychological well-being by reducing trust in the manager. While Kellowaya, et al (2012) did not make their assumptions clear, they used valid reasoning and made reasonable inferences. Love and Cugnon (2009) asserted that leaders' primary transformative mission was to use a variety of mechanisms to enhance follower motivation, morale, and performance. One such mechanism was to leverage passion. Love and Cugnon (2009) claimed that, in the business challenges ahead, leading from the head and the heart would be essential. Leaders and followers would have to bring the whole person concept of who they were, to work, because anything less would be insufficient. Employees today have a need to feel valued, respected, developed, and cared for. In essence, both their inner feelings and work have to matter in order to successfully drive their performance and achievement (Crowley, 2011). As such, leaders have to create a culture in which employee purposes and passions can flourish in partnership with skills and values. Passions arouse the curiosity and imagination required to deliver solutions. Love and Cugnon (2009) argued that such leaders are transformational and inspirational toward subordinates. This position regarding transformational leadership and the primary transformative mission of leaders is arguably a worthy consideration.

Conflict resolution: Regarding conflict resolution, Nirenberg (2002) provided an objective understanding of the roles of facilitators versus controllers in global leadership. However, Nirenberg provided no support for his generalizations regarding conflict resolution and global leaders, the use of technology for addressing misunderstandings in a business environment and enhancing leadership abilities, and the effect of technology on leadership effectiveness. According to Nirenberg (2002), the purpose of both acknowledging and understanding values and the conflicts they generate, plus having the ability to resolve problems and differences in groups, cultures, and organizations, was to build high performance organizations. A high-performance organization achieved superior results through its shared vision, cohesiveness, and clear strategy within a satisfying workplace environment. As global leaders, facilitators encourage participatory decision-making. It should therefore be recognized that the world is too complex, distances too vast, and cultures too varied for one person, no matter how gifted, to lead as a controller in a top-down fashion.

TECHNOLOGICAL, EXPANSION, AND PROPERTY CHALLENGES OF GLOBALIZATION

Ajarimah (2001) indicated that these challenges include the: (1) pace of technological innovation (including use of technology); (2) acceleration of corporate expansion across national boundaries; (3) current population growth; and (4) emerging importance of intellectual capital.

Pace of technological innovation: Ajarimah (2001) identified the pace of technological innovation as a global leadership challenge, pointing out that technological advances continued to occur in all major industries. Without schools, training students in advanced skills needed by employers, corporations were likely to continue spending billions of dollars every year on corporate training programs. Without safeguarding human capital in countries with developing economies, those people with advanced skills were likely to leave such countries, slowing down the economic development of such countries.

Use of technology E-mail: Globally, the use of technology can be both good and bad. Difficulties in understanding arise in technological advances such as emails because supportive visual clues; repetition; emphasis; and enquiry are absent (Nirenberg, 2002). In order to get a feel for a person behind the message; intonation in a voice, outward posture, eye movement, and facial expressions were once spontaneously used all at once in face-to-face encounters, especially to evaluate messages. In electronic communication, this is difficult to do, even within one's own culture. This becomes infinitely more complex and fraught with difficulties when it involves electronic communication across different cultures. Therefore, while e-mail makes communication easier, it also makes misunderstanding of messages more prevalent.

Given the global reach of organizations and their need to create unified supranational cultures and communicate instantaneously, global leaders must master skills that will allow them to build rapport and communicate from a distance, with little face-to-face contact. To ensure understanding, global leaders using electronic communication processes must carefully choose words; provide more detail and explanatory remarks; emphasize the consequences and expectations surrounding the message; and remain open to further discussion, clarification, and refinement. On a related topic, the internet makes global leaders more fully deliberate in their processes, inclusive of the contributions of each colleague, and responsive to all stakeholders. Thus, mastering communication technologies is crucial for leaders to exercise influence and build the contact necessary for trust, commitment, and cooperation to flourish.

However, although, e-mail and other means of communication are essential, a virtual team should meet in person at least once so that each team member can get to know one another face-to-face, and become comfortable with each other's expectations. Moreover, each team member would need to be addressed personally and in person, in addition to allowing for a period for responses to questions, monitoring the length of the discussion, monitoring discussion threads, and participating in discussions during usual business hours. Nirenberg (2002) stated consensus would be built through the encouragement of each team member's participation. High performance expectations needed to be developed for each team member to make global leadership work. Since this would be everyone's responsibility, it would be essential to set up guidelines regarding the appropriate manner in which team members would communicate on the internet.

Acceleration of corporate expansion across national boundaries. When people in different parts of the world see an unfair distribution of the benefits and threats associated with globalization, the interaction of negative forces with the drivers of globalization might result in the destabilization of local; national; federal; and global institutions. Major instruments of globalization included corporations; the World Bank; the United Nations; the World Trade Organization; the European Union; ASEAN; and the Gulf Cooperation Council, as major globalization instruments (Friedman, 2007).

Population growth: Another global leadership challenge is related to population growth. Significant increases in population, brought about by advances in health sciences; agriculture; food technology; sanitation; housing; communication; and transportation have put pressures on limited resources and ignited hostilities and armed conflicts. The growth of certain minorities has encouraged aspirations toward nationhood. These same minorities have rebelled against those government forces they perceive to be their oppressors. The greatest challenge for global leadership related to population growth is establishing a state of equilibrium encompassing population growth, industrialization, and the environment.

Intellectual capital: Intellectual capital now constitutes the wealth of many business organizations. Bill Gates of Microsoft made his fortune from intellectual capital, unlike the barons of the Industrial Revolution, who made their fortunes from raw materials. Ajarimah (2001) also differentiated between financial and intellectual capital. Unlike financial capital, which can be developed and used quickly, intellectual capital requires a lengthy time to mature, with its value increasing through continuous employment. With intellectual capital, individuals control their skills and talents and apply them to new situations, unlike financial capital, which is easily controlled and directed. The development of intellectual capital necessitates an organizational climate, which encouraged learning, co-operation, and knowledge sharing, plus it rewards individual and team accomplishments. In addition, the presence of such an organizational climate enhances the development of financial capital—even though it is unnecessary for the financial prosperity of an organization.

CORE ASPECTS OF MULTICULTURAL ORGANIZATIONAL CULTURES

Cultures in organizations: Trefry (2006) contended that the culture of multicultural organizations intensifies the benefits and challenges of employee diversity and indirectly affects organizational performance, learning, and competitive advantage. This magnified effect applies to all multicultural organizations, whether operating across national boundaries or in a single country with a culturally diverse workforce. Multicultural organizations could manage the challenges and achieve the maximum benefit from their cultural diversity by strategically harnessing diversity for the benefit of an organization.

Therefore, strategic utilization of cultural differences could create a real competitive advantage for the organization.

Value of cross-cultural teams: Gurchiek (2011) asserted that it was important to value global, rather than cross-cultural perspectives. Global perspectives integrate culturally diverse and geographically dispersed employees into a unified team. Valuing global perspectives means holding a global identity in parallel with a local and national identity. Global leaders are thus expected to have high levels of global identity, seeing themselves as part of a global team. For example, rather than an American leader in Japan developing a Japanese identity in addition to that leader's American identity, the American leader would develop a global and local identity. Of course, adapting to a global work culture and leading a global team necessitates openness to cultural diversity; a global identity; cultural intelligence; and global leadership behaviors.

Conflict with cultural differences: Chua (2013) and Buller, Kohls, and Anderson (2000) concurred that intercultural tensions and conflicts in individuals' immediate social environment undermines creative thinking in tasks that draw on knowledge from multiple cultures. Cultural disharmony decreases individuals' effectiveness at connecting ideas from disparate cultures. Although cultural disharmony disrupts creativity, cultural harmony in no way promotes creativity. Cultural diversity, though contributing to innovation, has to be carefully managed in practice, especially when the desired outcome is creative thinking and innovation in a global multicultural context.

Buller, Kohls, and Anderson (2000) discussed cross-cultural conflict arising from differences in business ethics and the rightness and wrongness of certain business practices. These include ethical conflicts involving bribery and extortion; human rights; financial reporting; product safety; and environmental responsibility, including ethical conflicts that arose in Nike; Gap; Levi Straus; H.B. Fuller; Lockheed; Daiwa Bank; Nestle; and Shell. Buller, et al (2000) presented a pragmatic framework that could be used to address cross-cultural ethical conflicts. This framework recommends specific strategies based on particular characteristics of a situation. These strategies include avoidance; force; education; negotiation; accommodation; and collaboration.

CULTURE AS AN INHIBITOR AND ACCELERATOR TO PROGRESS IN TEAMS

Multi-culture team dynamics. Wang, Solan, and Xu (2014) examined how with cross-border business activity, there existed a real potential for both cross-functional and cross-cultural conflicts to mitigate the success of new product development. Some cultures may be more adept than other cultures in one phase of the new products development process and thus more effective choice for that phase. Therefore, the stage of the new product development process should influence the composition of a multi-culture group. For example, individualism may be beneficial in the initiation stage of new product development, because if some team members are from a collectivist society such as Japan, they may avoid questioning those in authority, leading to the implementation of poor suggestions without question.

Laroche (2001) also pointed out that the U.S. and Indonesia were at opposite ends of the individualism spectrum. Therefore, when Americans and Indonesians work on the same team, misunderstandings are likely to take place. Whether a team member is from an individualistic or collective society, that team member will talk to a person directly when that same team member neglects to perform a task to specification. However, the second step a team member will take differs depending in which type of society that team member was raised.

Cultural expectations and differences: In a collective society, a good team player is expected to help or jump in and perform the task for the teammate, who has neglected to perform a task to specifications. In an individualistic society, a good team player is expected to focus on that team player's area of responsibility and, therefore, would inform that teammate how that teammate was affecting this team player's area of responsibility.

Likewise, recognizing differences between members of a multicultural team could help a company take advantage of diversity in thought and experience. Cultural diversity brings a wider range of potential solutions to complex technical and organizational issues and may open up some significant specialized markets. For example, foreign-trained employees could play a beneficial role in interacting with clients and prospects of similar backgrounds, whether they are located in or outside of their country of origin.

LEARNING COMMUNITIES AND GLOBLIZATION'S CHANGE FORCES

Learning communities: Stiglitz (2002), Friedman (2007), and DeSanctis, Wright, and Jiang (2001) argued that a learning community is a group of people with common emotions, values or beliefs, actively engaged in learning by adaptation. The group members' interests and purposes motivate them to learn. Stiglitz (2002) became disillusioned with globalization when he saw such major institutions as the International Monetary Fund put the interests of Wall Street and the financial community ahead of countries with developing economies. This is one example of how globalization, as seen by the actions of such institutions, engendered protesters' hostility in both Seattle and Genoa.

The globalization change forces: This derailment of interests could occur even though globalization may be grounded on economic activities, where free markets and democratic political institutions promise to eliminate poverty in countries with developing economies. Theoretically, this occurs by transforming those nations into a community of peaceful and prosperous societies. However, globalization could go off course despite Friedman's (2007) expectations. Friedman expected that globalization would turn both friends and enemies into competitors, thus resulting in multiethnic, pluralistic, free-market democracies. Friedman had these expectations despite the 10 forces he claimed flattened the world.

According to Friedman (2007), the first force was the falling of the Berlin Wall on November 9, 1989, and the second, the popularization of the Internet by commercial browsers, was first introduced by Netscape when it went public on August 9, 1995. The third force was workflow software, and the fourth, harnessing communities through uploading. The fifth force was the outsourcing to India Y2K remediation. Y2K remediation was the adjustment of the internal clocks and related systems of old computers, which had internal clocks with just six digits that would be unable to register 01/01/2000. The sixth force was off shoring; the seventh, supply chaining; the eighth, in-sourcing; the ninth, web searching, and the last one—wireless connectivity. In addition, DeSanctis, Wright, and Jiang (2001) found that online global learning communities could help leaders facilitate positive change in organizations through such collaborative efforts as communities of practice, and the inter-country exchange of technology and ideas.

CONCLUSION

The nature of the challenges that global/managers are facing is rapidly changing; however, the methods used to address and develop remain the same. For instance, the global environment is more complex, volatile, and unpredictable. In addition, the majority of leaders are developed from on-the-job experiences, training, and coaching/mentoring. While these are all still important, traditional leaders are no longer developing fast enough or in the right ways to match the new global environment. The question we as scholars should ask ourselves is what will be the future of global leadership development look like? The questions that one should ask include:

1. What are the current globalization approaches being used that you think are the most effective?
2. What do you think we should be doing more of in terms of developing leaders?
3. What should we be doing less of/stop doing/phase out?
4. Where do you see the future of global leadership development headed?

Arguably, there is not a leadership challenge (what good leadership looks like); it is a development challenge (the process of how to grow "bigger" global minds). Simply, leaders have become experts on the "what" of global leadership, but novices in the "how" of their own global development. What needs to happen in global organizations is for their leaders to capitalize on information resources, develop a leadership vision and associated implementation plan, and create a collaborative corporate culture—all accomplished through the development of both internal and external relationship systems (Hurd & Nybert, 2004).

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