

Global Leadership

In the 21st Century



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Global Leadership



Introduction

Leadership styles that were practiced in traditional hierarchies and that relied on authoritarian controls are seldom applicable to the changing workforces of the 21st century. Leaders of corporations intent on globalizing their operations successfully need to adapt a paradigm shift from a mindset rooted in the 20th century. This shift involves learning the qualities necessary to lead effectively in the emerging global economy.

Global mindset is crucial for successfully managing transnational corporations
(Bartlett & Ghoshal, 1992)

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Difference between a global, transnational, international and multinational company

We tend to read the following terms and think they refer to any company doing business in another country.

- Multinational
- International
- Transnational
- Global

An organization is globalized when the organization has developed a global corporate culture, strategy, and structure, as well as global operations and global people (Marquardt, 1999).

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Differences cont.

- ***International companies*** are importers and exporters, they have no investment outside of their home country.
- ***Multinational companies*** have investment in other countries, but do not have coordinated product offerings in each country. More focused on adapting their products and service to each individual local market.
- ***Global companies*** have invested and are present in many countries. They market their products through the use of the same coordinated image/brand in all markets. Generally one corporate office that is responsible for global strategy. Emphasis on volume, cost management and efficiency.
- ***Transnational companies*** They have a central corporate facility but give powers to each foreign market.

Leadership is about relationship between those who want to lead and those who choose to follow (Kouzes & Posner, 2007)

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Local Leadership vs. Global Leadership

- **Leadership** is the process of influencing others to adopt a shared vision through structures and methods that facilitate positive change while fostering individual and collective growth in a context characterized by significant levels of complexity, flow and presence.
- **Global leader** flows from the above definition of global leadership, and is as follows: An individual who inspires a group of people to willingly pursue a positive vision in an effectively organized fashion while fostering individual and collective growth in a context characterized by significant levels of complexity, flow and presence.

Based on the conclusions of leadership scholars (Yukl, 2006), local leadership differs from global leadership

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What is 21st Century Global Leadership

From the discussions by Mendenhall et al. (2012), global leadership can be interpreted and summarized in various ways:

- It means diversity - multiple cross-boundary, stakeholders and multiple cultures (Mendenhall et. al., 2008): geography and culture (Conger et al., 2012): culture, gender, religion or social class (Hope, 2007): diverse groups and system (Beechler & Javidan, 2007): cultural diversity (Harris et al., 2004), diverse countries, cultures and customers (Gregersen et.al., 1998).
- It means complexity –manage complexity (Caligiuri, 2006).
- It means networking – to work together to achieve individual, organizational, and societal goals (Adler, 1997) Based on the discussion, global leadership can be defined as a leader who operates on a global stage with the global mindset in an environment that is complex and diverse with competencies that includes networking and flexibility.

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Global Leadership cont.

- It means working on the global stage – ability to work on the global stage (Caligiuri and Tarique, 2009): international job scope (Caligiuri, 2006): global responsibilities (Suutari, 2002): global position such as global executive (McCall and Hollenbeck, 2002): job with international scope (Spreitzer et al., 1997), global competition and world-class performance (Brake, 1997).
- It means global mindset – work together towards common vision and common goal for global community (Osland & Brid, 2005): formulate and implement strategies that enhance global reputation and produce competitive advantage (Petrick, 1999): able to articulate a globally encompassing vision and to communicate that vision to people around the world (Adler, 1997).

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Global Leadership cont.

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Applebaum and Paese (n.d.) described competencies as the “how” of leadership. Thus, leaders need a set of competencies to do their jobs well. They refer competencies as “specific skills and abilities that impact” their leadership effectiveness.

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Essential 21st Century Leadership Skills (Adapted from Serve to Lead)

- **Leaders Serve.** In the Information Age, everyone, everywhere is potentially in a relationship with you. A service mentality is required.
- **Cultivate Courage.** Courage and sacrifice remain the foundation of leadership, service. The higher levels of service—and sacrifice—are the binding elements of effective leadership in all times and places.
- **Think in Terms of Relationships.** Gaining advantage in isolated transactions cannot be the basis of a sustainable business model. Now every business is a relationship business.

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Essential 21st Century Leadership Skills (Adapted from Serve to Lead)

- **Cultivate Courage.** Courage and sacrifice remain the foundation of leadership, service.
- **Think in Terms of Relationships.** Gaining advantage in isolated transactions cannot be the basis of a sustainable business model. In a global economy every business is a relationship business.
- **Create Value.** Value is not based on how long or hard you work, or on your commendable motivations, or what you think you deserve. It's based solely on your customers' judgment. Today, those you serve are empowered to seek out, compare, and measure value as never before.

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Essential Skills cont.

- **Advance Your Customers' Values to Create Value.** In a time of customer empowerment and relentless commoditization, advancing the values of your customers can be a potent differentiator.
- **Vision Remains the Foundation of Leadership.** From the Bible to this very day, casting a vision remains an indispensable element of leadership.
- **Make Management a Vital Part of Your Leadership.** Effective leaders are effective managers. Effective managers are effective leaders.

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Essential Skills cont.

- **Aim to be Best in the World.** Mediocrity is lethal. In our digital age, people can seek out the best value from anywhere in the world.
- **Listen and Observe with the Intensity of an Artist.** Listening is the master skill in a relationship-based world. An ideal is to learn to listen and observe with the focus of an actor, a writer, a painter. Merely hearing is as far from listening, as conversing at a coffee table is from presenting a speech to thousands.
- **Ask Questions. Refrain from Answers.** The open ends of question marks invite engagement. The closed ends of periods are the equivalent of the body language of defensively crossed arms. Declarations fit naturally into transactions. Questions are the building blocks of relationships.

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Essential Skills cont.

- **Master the Arts and Science of Influence.** Internal and external stakeholders have greater leverage than ever before. The age of the boss is over. “The power to persuade” is now as necessary a skillset for corporate CEOs as politicians.
- **Recognize that Communication is Part of Everything You Do.** Communication skills cannot be delegated or outsourced. From new media to traditional meetings, effective 21st century leaders must master an ever-evolving range of communications expectations.
- **Collaborate to Create Value.** The smartest person in the room is always the room. Think, listen, speak, and act accordingly.

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Essential Skills cont.

- **Create a Stimulating Ecosystem.** Have a personal board of advisors. Search out mentors. Comb history for “spiritual ancestors.” Connect with people of accomplishment through social media.
- **Learn from Other Generations.** What are you learning from various generations? Every generation now has a voice. Listen and learn.
- **Learn from Public Failures and Mistakes.** You’re less likely to have your falls hidden behind the walls of large institutions. Many of your missteps or misfortunes will be captured for eternity in all their digital glory. Get over it.

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Essential Skills cont.

- **Cultivate an Experimenter's Mindset.** Innovation includes false leads and failures. Today's failure may be the basis of tomorrow's breakthrough.
- **Break Boundaries.** Don't let others' limitations of imagination or experience or customs or organizational culture limit your capacity to serve.
- **Demand Optimism.** Optimism—or negativity—can spread from a leader through her ranks faster than ever. Whether to be publicly optimistic is a leadership decision, not simply a matter of a one's individual temperament or druthers.

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Essential Skills cont.

- **Engender Enthusiasm.** The universal spirit that flows through enthusiasm remains compelling. The very word is derived from the root, “the spirit of God in man.” Yet another breadcrumb reminder that leadership is, ultimately, a spiritual practice.
- **Be Relentlessly Adaptable.** The value of your service is determined by your capacity to evolve in the rapidly unfolding circumstances of the early 21st century.
- **Think Like an Artist.** Leadership is an art. Make every aspect of your experience a part of your evolution.

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Essential Skills cont.

- **Safeguard Your Physical, Mental, and Spiritual health.** Your health constitutes the foundation of all your service. Not to maintain your physical health—especially as one becomes older—is to succumb to self-indulgence. Safeguarding your health is a moral duty of the highest order.
- **Achieve Integrity.** The sum of your parts can be united into a whole that only you can create. Therein lies your calling.
- **Learn from Other Cultures.** A world of customers and competitors and prospects and resources is just a mouse click away. Communicate and collaborate where they are—not where you are.

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Essential Skills cont.

- **Learn from Public Failures and Mistakes.** You're less likely to have your falls hidden behind the walls of large institutions. Are you able to get off the mat, get back into the ring? Many of your missteps or misfortunes will be captured for eternity in all their digital glory. Get over it.
- **Cultivate an Experimenter's Mindset.** Innovation includes false leads and failures. Today's failure may be the basis of tomorrow's breakthrough.

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Universally Accepted Leadership Attributes

- Integrity-trustworthy, just, honest
- Charismatic, visionary, inspirational-encouraging, positive, motivational, confidence builder, dynamic
- Team oriented-team building, communicating, coordinating
- Excellence-oriented, decisive, intelligent, win-win problem solver

(Landy & Conte, 2004)

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Culture-Specific Characteristics

The following characteristics were found to facilitate outstanding leadership:

- Integrity
- Performance
- Administrative
- Inspirational
- Non-autocratic
- Visionary
- Participative
- Self-sacrificial
- Team integrator
- Diplomatic

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Future Trends and Leadership Impact

- **Globalization 2.0:** As globalization accelerates, the new business world will be characterized by increasingly diverse teams and declining loyalty between organizations and employees. The balance of power will shift to Asia, a global middle class will rise, and greater inter-connectedness will result in greater volatility in the economic markets.

Leadership Impact: Companies will need to be more agile and collaborative to manage the global/local divide; their leaders will need to be flexible, internationally mobile and culturally sensitive, and they must have strong conceptual and strategic thinking capabilities in order to manage risk and cope with the dangers and uncertainties associated with globalization.

- **Climate Change:** Rising emissions and temperatures will be further aggravated by growing residential and industrial waste in developing nations. The scarcity of strategic resources like water, minerals and fossil fuels could trigger price hikes and violent conflict.

Leadership Impact: Organizations will be forced to lower their eco-footprint, adapt to rising operational costs and restructure along sustainable lines; leaders will need outstanding cognitive skills to balance the competing demands of financial success, social responsibility and environmental custodianship, and must act as change agents, advocating environmentally responsible business practices.

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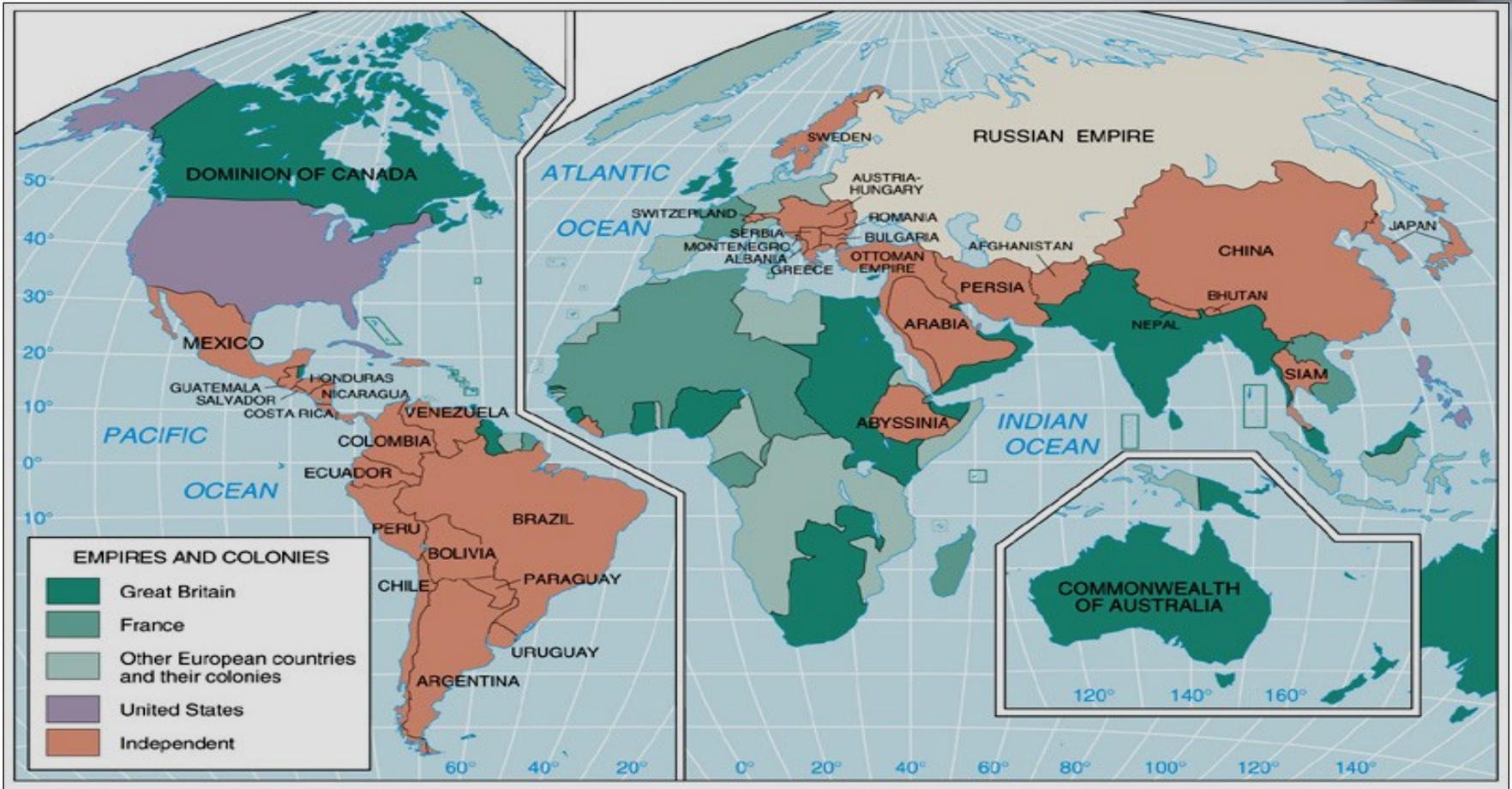
•**Demographic Shifts:** As the world population grows and ages, demographic imbalances are emerging, leading to skills shortages in some areas and increasing migration.

Leadership Impact: For organizations, fewer people means the war for talent will continue to rage; leaders will need to attract, motivate and retain increasingly diverse teams and find ways to develop and promote the growing numbers of international migrants, women and older people into leadership positions.

•**Digital Lifestyle and Work:** Technology will continue to blur the boundaries between private and work lives, will broaden generational divides, and will shift power to employees with extensive digital skills—particularly the rising class of “knowledge workers,” who can work anywhere.

Leadership Impact: As organizations become increasingly virtual, leaders must recognize and harness the critical skills of digital natives, foster collaboration between them and traditional workers, and encourage high levels of openness, integrity and sincerity to build reputation in a more transparent world.

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Conclusion

“There are no boundaries anymore!”

Organizations and those who would exercise leadership have no choice about whether to accept a new world that differs fundamentally from the old. It is the inevitable future and is becoming the present in many organizations at a breathtaking pace. At the same time, there is a choice about whether to deny and react to these cultural and economic shifts or instead acknowledge and embrace them. And there is a choice as well—for both organizations and individuals—about whether and to what extent to cultivate the culture, mind-sets, skills, and knowledge that make it possible to leverage the enormous

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Conclusion cont.

potential of the tools of the evolving web to better realize their purposes.”

There has been a major trend among organizational theorists to shift the focus from leadership as a person or role to leadership as a process. For example:

- the process of mobilizing people to face difficult challenges (Heifetz, 1994)
- anyone and everyone who gets in place and helps keep in place the five performance conditions needed for effective group functioning (Hackman, 2002)
- “Leaders are any people in the organization actively involved in the process of producing direction, alignment, and commitment.” (McCauley & Van Velsor, 2004)

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