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LEADERS IN GLOBAL BUSINESS



New managers International appointment booklet

Congratulations on your first expatriate assignment! This brochure is bespoke to your circumstances and seeks to both excite and reassure you of your first steps into global management. The guide seeks to provide you with some theoretical concepts and useful practical takeaways.





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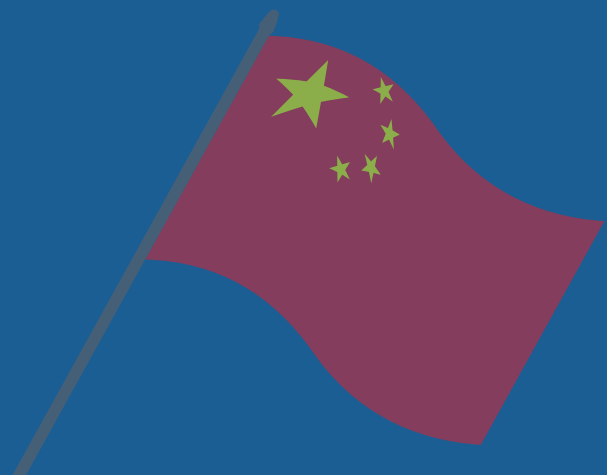
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Preparing to understand your organisation

The prospect of leading and supporting several international teams may seem like a daunting task. However, Personal preparedness is a key factor in business survival. A survey conducted on expatriates found that approximately 21 percent exited their company during their assignment, and an additional 23 percent leave on return to their company (Deresky, 2017). Studies by (Goldsmith et al., 2003) have suggested that the considered competencies for a leader in global business are; thinking globally, appreciating cultural diversity, and developing technology savvy.

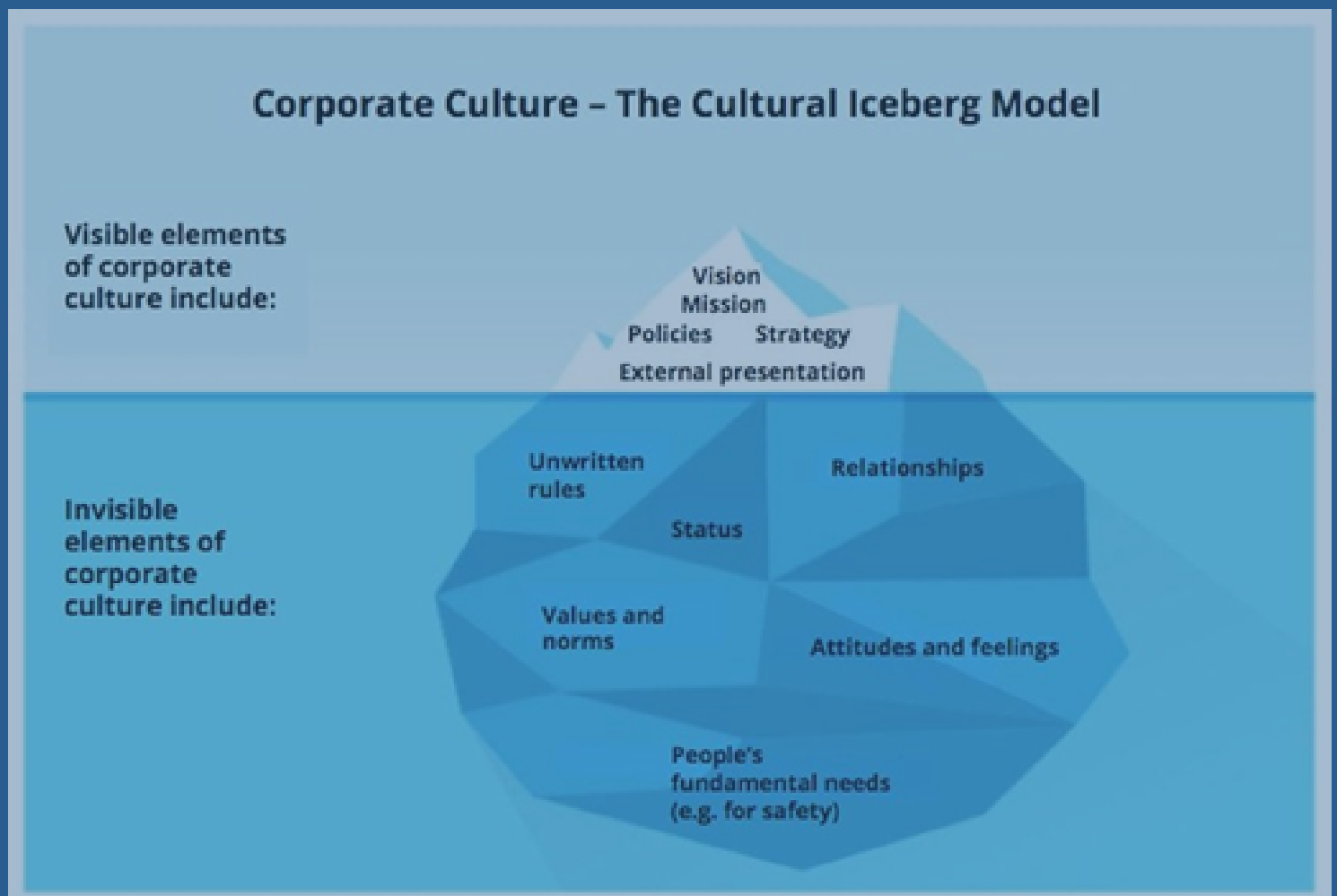
A starting position is to examine the foundations of your knowledge within your own organisation. Take time to reaffirm the organisations Vision, Mission and Values, paying close attention to the existing culture. A survey conducted by Cordery et al cited by (Deresky, 2017) states that a successful leader adopts an 'external alignment/Vision' this essentially means being able to galvanise the organisational objectives and goals with the activities of your teams. According to (Montgomery, 2008) if stakeholders and teams can relate to the organisations purpose, this can greatly increase motivation. This is critical before considering the cross-cultural dimensions that you will have to navigate. Global companies are fully engaged in coordinating complex systems, stakeholders, and supply routes, understanding the company's value chain is essential, (Morrison, 2020).



Culture

Considering the basic cultural organisational diagram concept of Edgar Schein, there are aspects of how communicating this organisational culture to your international teams may assist understanding.

Fig1: The Cultural Iceberg Model, adapted from Edgar Schein.



Source: Mavinc.com

What type of leader are you?

Considering your leadership style at this time can be helpful on how you anticipate leading your international teams. According to (Adler and Bartholomew, 1992) operating in the global business environment requires the manager to be 'responsible for their understanding'.

The global management role is described by (Cappellen and Janssens, 2005) "someone who is assigned to a position with a cross-border responsibility, who needs to understand business from a worldwide rather than from a countrywide perspective, needs to balance potentially contradictory demands in the global environment and who must be able to work with multiple cultures simultaneously rather than one culture at a time"

To reassure you, a large study completed by (Leslie, Dalton and Deal, 2002) of hundreds of managers from different nationalities determined that there were similarities of capabilities, skills within this role and leadership traits of domestic managers. However, senior global CEOs have provided clearer expectations of their managers to be; conscientiousness, innovative and good negotiators, key organisation skills, and international business knowledge, fluid adaptability to a different culture and able to seek the perspectives of others.

Leading with style

Considering this leadership style may be pertinent in exploring potential benefits, particularly in a global management.

(Schedlitzki and Edwards, 2018) highlights several factors capable of influencing leadership.

- creating a culture of organisational fairness, (Pillai, 1999)
- creating and nurturing of innovation and creativity of employees (Mohamed, 2016)
- effective and collective team performance (Sosik and Jung, 2010)
- Inherent motivation of teams (Wang, Kim and Lee, 2016)

Transformational Leadership focuses around the 4 'I' model as a structured explanation of its use and benefits. (Avolio, Bass and Jung, 1997). It is proposed by (Bass and Riggio, 2005) that transformational leadership is a strengthened style against transactional leadership and is responsible for distinctive organisational performance ratings.

Fig 2: 4'I' model of Transformational Leadership



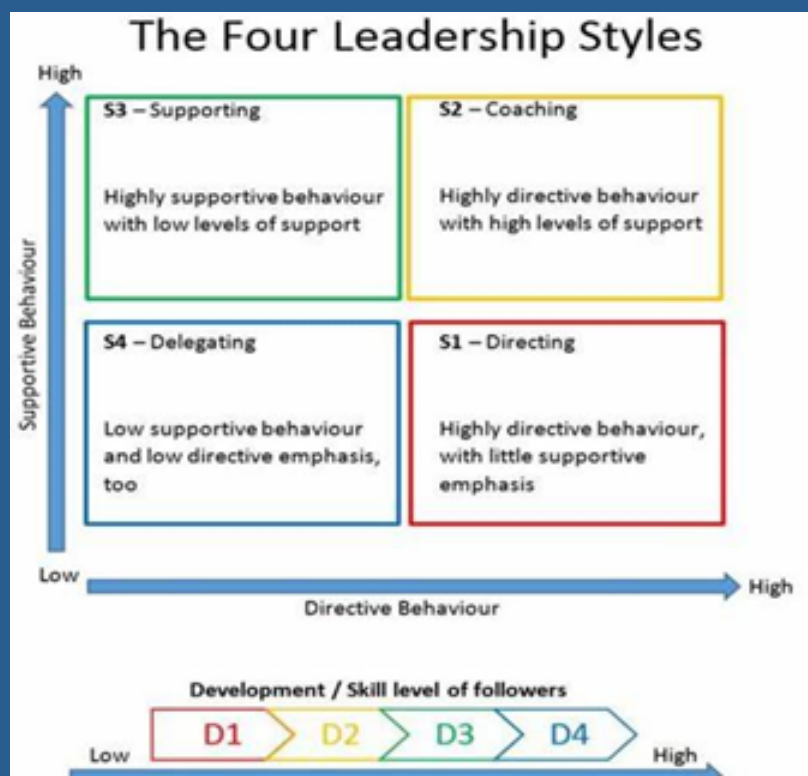
However, there is also a general thought that this style can be confused as being centred upon 'traits' of an individual, bringing into question, how would you teach a leader to change their 'traits'? (Northouse, 2016). This aspect is also considered by (Bryman, 1992) who highlights that this style is sold with 'personality' traits verses 'behaviours' (that are capable of being learnt).

Situational Leadership

Situational Leadership Theory is another considered approach of how Leadership behaviours may influence differing situational challenges.

(Hersey and Blanchard, 1971) The leader in this model, can seek to adjust or move their leadership style to reflect four styles of behaviour. (Schedlitzki and Edwards, 2018) cites the model of (Hersey and Blanchard, 1971)

Fig 3: 4 styles of Situational Leadership



Source image: Educational Business Articles, adapted from Schedlitzki & Edwards, (2018) of Hersey & Blanchard, 1971 model.

Situational Leadership is described as a practical and simple model to understand and apply, (Northouse, 2016), one criticism however, according to (Faster Capital, 2024) is that this style could be seen to neglect aspects of cultural sensitivity, due to be seen as using conventional leadership to address all cultures and contexts.

There are of course many other leadership models to consider, but it is now important to consider the aspects of leadership that are influenced by the global context. The skill of the global manager is to consider how societal cultures relate to these different theories, what differences and implications they may have on each other. The effectiveness of Leadership in different cultures will vary, according to (Deresky, 2017)

Ethnocentric or Polycentric approach?

As a global manager, the understanding of different approaches to culture and leadership is critical, it may be an advantage theoretically and practically to have an objective understanding of these differences. The difference between an Ethnocentric and Polycentric leadership approach may assist when considering intricate aspects of cultural awareness, a leader with an ethnocentric leadership approach will assume that their home country approaches are better placed and more superior – and not see that adjusting their own leadership behaviors are necessary to overcome a difference of culture. Polycentric leadership will seek to observe the individuality of each culture and adapt their leadership behaviours to adjust to local managerial conditions, this approach can enhance cross cultural management approaches. (Haque and Handley, 2021)

Table 4: Polycentric Leadership Traits

Theme	Component of the themes
Charismatic	Charismatic: Value Based: Spiritual
Collaborative	Collaboration: Network: Collective: Shared
Communal	Community: Cooperative: Mutual Vision: Team
Relational	Empowerment: Encouragement: Relational
Entrepreneurial	Entrepreneurial: Freedom of Structure
Diverse	Diversity: Cross-Cultural

Source: Adapted from (Polycentric leadership, 2021)Your paragraph text

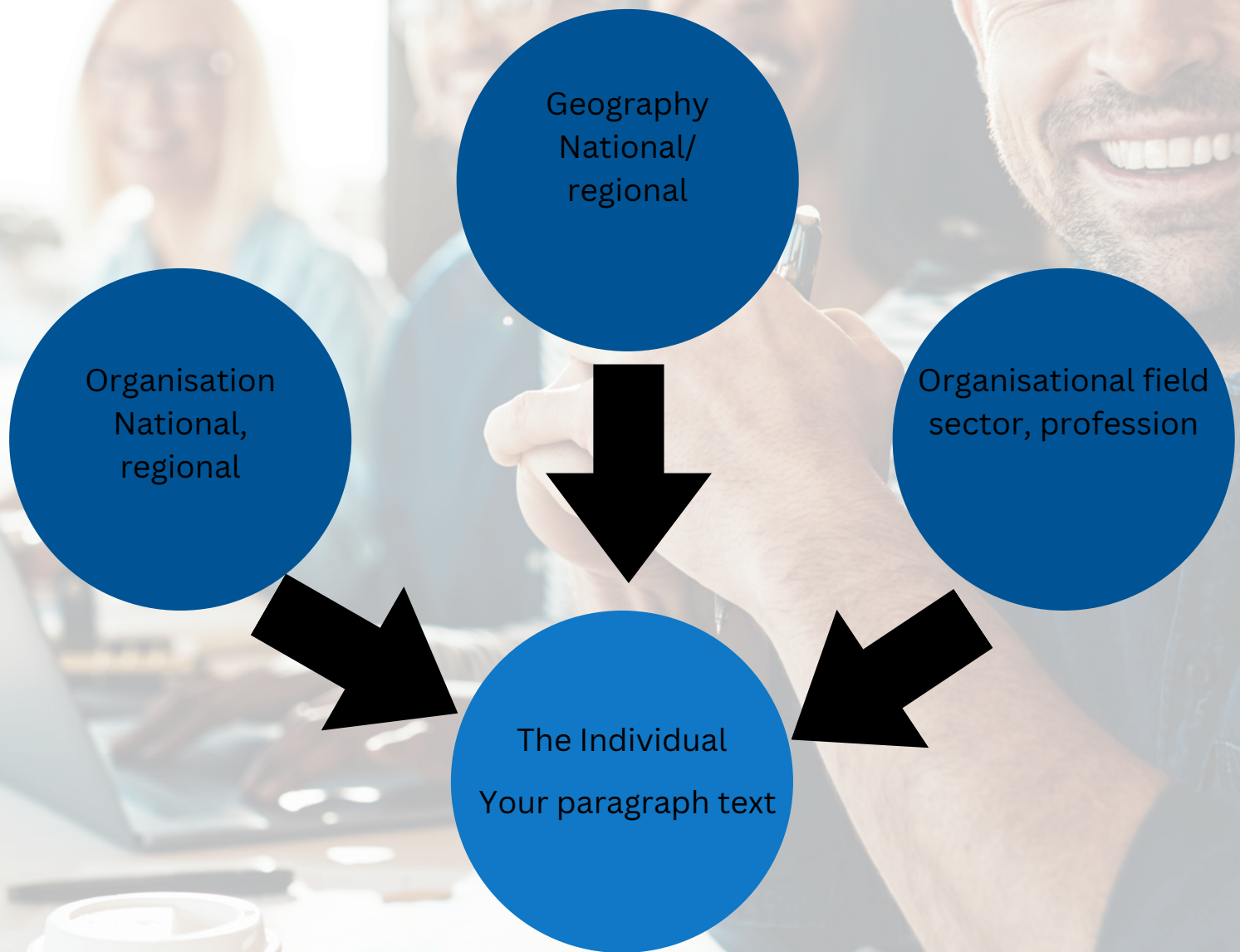
Cultural intelligence within your global teams?

This bespoke guide will focus on what you can do as a global manager operating in Germany as a female Turkish national, managing international teams in Australia and China. Utilising insights from Geert Hofstede cultural comparison tools can assist preparation before your assignment starts. The knowledge of understanding leadership cultures in differing teams is a benefit for leaders and all individuals involved with intercultural engagement (House, 2004)

Hofstede's work highlights the importance of National culture, pointing out those behaviours in organisations and associated theories are culturally wrapped. Hofstede suggests that individual's harness "mental programmes" created as a child, with a continuous bolstering from life experience, and it is this that produces the main foundation block of national culture, The individuals are influenced by these 'programmes' steering behaviours with predictability alongside personal perceptions, objectives and beliefs. (Gladwin and Hofstede, 1981)

Using the cultural construct definitions of Hofstede; Power Distance, Individualism, motivation towards achievement & success, uncertainty avoidance, long-term orientation, Indulgence (hofstede-insights, 2024) a cultural appreciation of each international country is available. (Hofstede, 2001)

Fig 5: Cultural frames of reference



Source: Adapted from Whittington, R (2020) Exploring strategy.

Cultural Intelligence

Understanding your own culture can be helpful to appreciate how this may interact or differentiate from other cultures. For example, considering the scoring using (hofstede-insights, 2024) we can consider the Power Distance of the Turkish culture (general acceptance of power differences and status of privilege by a community') (House, 2004), this scores high at 66 in comparison to Germany, scored at 35. Hofstede's research shows that Turkish culture is centred around a patriarch of leadership, operating within a formal hierarchical situation, with leaders not visible or readily accessible, a reliance on direction and rules from senior managers, familiar with transactional instruction they use a very formal management relationship with a selective and indirect communication style. The Turkish Power distance would be closer to the cultural characteristics of China. Germany however, demonstrating a decentralised cultural style where cooperative determination exists, management rely upon this connectivity, they practice more direct communication, challenges to leadership is common and there can be a reluctance towards a transactional style (hofstede-insights, 2024)

Australia, scoring 38, has a formal structure of hierarchy, often for a convenient operating function however; managers operate with high accessibility, expertise of staff and teams with high consultation is anticipated by both staff and managers alike, practicing an informal communication style. (hofstede-insights, 2024). In summary, similarities and differences can be easier to decipher.

Table 1: Power Distance between Turkey, China, Germany & Australia.

Power Distance			
Turkey	China	Germany	Australia
66	80	35	38

Source: hofstede-insights.com, (2024)

Considering ‘Individualism’ (The concept relating to how community individuals are unrestricting, looking after ones ‘self, verses Collective notion of ‘We’ and a group mentality in exchange for loyalty) (House, 2004)

Table 2: Individualism comparison - Turkey, China, Germany & Australia.

Individualism			
Turkey	China	Germany	Australia
46	43	79	73

Source: hofstede-insights.com, (2024)

Germany & Australia display high Individualism (Individualistic parent/child relationships, communication most direct, even if it hurts to tell the truth.

Whilst Turkey & China show low Individualism (Importance of family/clan/network, they look out for each other – loyalty is the exchange token. Communication is indirect, morals come over a task. Feedback can be indirect, in both person and the business environment.(hofstede-insights, 2024)



Considering ‘Egalitarianism’ (attitudes held by society with reference to gender-role ideology including stereotypes), (House, 2004)

Table 3: Egalitarianism comparison ‘The Globe Study of 62 societies.

Egalitarianism			
Turkey	China	Germany	Australia
2.89	3.05	3.10	3.40

Source: ‘The Globe Study of 62 societies. House, R, et al (2004)

Table 4: Aspects of higher v lower gender egalitarian society themes. ‘The Globe Study of 62 societies.

Society with higher scores tend to:	Society with lower scores tend to:
More authority positions held by women	Less women holding positions of authority
Community roles with women as decision makers	Lesser roles or no community roles in decision making

Source: ‘The Globe Study of 62 societies. House, R, et al, (2004)

Leading global teams virtually

There are greater challenges for management and leadership of virtual teams verses traditional face-to-face teams, there is a reduced social function through the technology of communication, therefore investment that is more personal is required to both coordinate and foster relationships among these individual teams. (Bell and Kozlowski, 2002)

There is evidence according to (Suchan and Hayzak, 2001) that virtual team success can be attributed to several task -orientated behaviours, for example, establishing the shared norms for the team, and transparently identifying and specifying team structures, (Kaiser, Tullar and Mckowen, 2000)

Leadership behaviours focused on coaching can increase important transfer of information and increase collaboration according to (Colquitt et al., 2002)

The presence of individuals in virtual teams being diverse is likely according to (Maruping and Agarwal, 2004) It is suggested that the development of trusted relationships requires leaders to ensure that all members harness and utilise diversity fully (Malhotra, Majchrzak and Rosen, 2007)

(Pullan, 2016)Contributes a working perspective of the importance of leading virtual teams, key recommendations are that the leader should get to know the individual personalities across the team, acknowledging a great time frame to achieve this build of trust, however, there is acceptance that the leadership processes of virtual teams and what creates effectiveness is not fully understood. (Hoch and Kozlowski, 2014) further comments about current scholar literature being relatively silent around the functions of a team leader and how individual relationships are developed and supported are captured (Liao, 2017)

Building skills towards running and organising virtual meetings is key to the effectiveness and result tracking. According to (Pullan, 2016) it is also important for the leader to understand the technologies and collaboration tools being adopted within the team to assure asynchronous virtual work, (Pullan, 2016) highlights the understanding of the vast international time zones that teams operates in. This point is also highlighted by, (Wilkinson, 2018) indicating the planning required, suggesting helpful applications such as; www.timeanddate.com providing a solution for a global manager to be empathetic in sharing different timing of meetings and communications.

Fig6: Example of calendar sessions across different time zones.

	Berlin, Germany CEST (UTC +2)
	Sat, 22 Jun 2024
	Beijing, China CST (UTC +8) 6 hour(s) ahead
	Sat, 22 Jun 2024
	Melbourne, Australia AEST (UTC +10) 8 hour(s) ahead
	Sat, 22 Jun 2024

UTC-time	Berlin	Beijing	Melbourne
Friday, 21 June 2024, 14:00:00	Fri 16:00 *	Fri 22:00	Sat 00:00
Friday, 21 June 2024, 15:00:00	Fri 17:00 *	Fri 23:00	Sat 01:00
Friday, 21 June 2024, 16:00:00	Fri 18:00 *	Sat 00:00	Sat 02:00
Friday, 21 June 2024, 17:00:00	Fri 19:00 *	Sat 01:00	Sat 03:00
Friday, 21 June 2024, 18:00:00	Fri 20:00 *	Sat 02:00	Sat 04:00
Friday, 21 June 2024, 19:00:00	Fri 21:00 *	Sat 03:00	Sat 05:00
Friday, 21 June 2024, 20:00:00	Fri 22:00 *	Sat 04:00	Sat 06:00
Friday, 21 June 2024, 21:00:00	Fri 23:00 *	Sat 05:00	Sat 07:00
Friday, 21 June 2024, 22:00:00	Sat 00:00 *	Sat 06:00	Sat 08:00

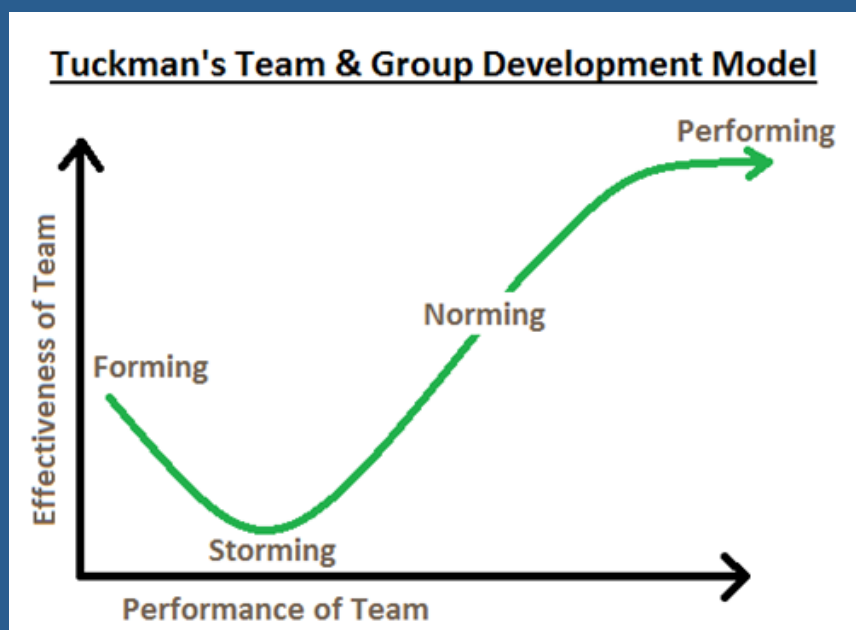
Source: www.timeanddate.com

Being aware of seasons, cultural festivals and timings can have an impact on global teams, The (Wilkinson, 2018) suggest that a manager would greatly benefit towards sensitivity of the team and the potential impacts on individuals.

Communication and use of technology is key, understanding systems, collaboration methods, being aware of detail such as broadband connections and access to the internet may not be the same in each country. (Wilkinson, 2018)

English is identified as the global business language, used widely across multinational and international businesses. Levels of competence in English will vary across teams where English may be their second language (EAL). (Neeley, 2012) suggests survival and the ability to thrive in a global business, companies should seek to adopt a common language, English is the most widely used and most beneficial, approximately 1.75 billion people can speak English to a usable level. However, businesses must be mindful of the impacts on confidence, job security, effectiveness, if employees whose first language is not English, and the potential fall out, and non-engagement. (Neeley, 2012) With all these elements and many others to utilise on your management journey, a reflection on Tuckman's model may provide a reference point as to where you and your new team sits in terms maturity and development. According to (Bonebright, 2010) this is a useful tool to demonstrate a teams working performance, helping groups and individuals appreciate the pathway within the process of development. Although, Bonebright, citing Rickards and Moger(2000), highlights the simplicity of the model stating that there is little coverage as to how time alters the group dynamic, including performance of tasks and credibility.

Fig 7: Tuckman's model



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