Leading Global Organizations

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The dearth of literature on leadership theories and the leader's ability to incorporate these theories at the global level creates an environment ripe for theory consolidation and implementation. The author conducted a literature review of "others" based leadership theories (Authentic, Servant, Ethical and Transformational), and combined with experiences gained from years of international training and leadership, provides a prescriptive option for leading globally. This paper discusses global leaders and the domestic leadership theories, skills, behaviors and education that will be required for today's domestic leaders to become tomorrow's global leaders.

INTRODUCTION

With today's growing global marketplace, it is incumbent upon transnational, multinational, and global organizations to identify global leadership and to develop leaders capable of leading in the global economy. With many organizations failing in the current global economy, this paper will look at the definition of leadership and global leadership while identifying domestic leadership theories based on values and are "other" focused. These concepts are important because there is a concern that there is a shortage of global leaders. With only 8% of Fortune 500 firms having a comprehensive global leader training program, there needs to be a better understanding of the link between managing in a global organization and being a global leader (Alon & Higgins, 2005). Because of this, organizations have promoted technically competent individuals into international positions while failing to recognize that 65% of these "leaders" need additional skills designed for the global market (Alon & Higgins, 2005).

Leadership: Global or Domestic

Global leadership: how is it defined and differentiated from "domestic" leadership? Can domestic leaders be good global leaders? In this paper, leadership is defined as "*the art, grounded in morals and changeable to the situation, of inspiring others to want to succeed in achieving shared goals*" (Minner, 2014, para. 1). While this definition is not a set standard for leadership, it does encompass the basics of leadership that can be used in both the domestic and global leadership arenas. Global leadership has not yet been defined to an acceptable degree. Mendenhall et al., (2013) offers this definition of global leadership as a potential reference point for other researchers: "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" (p.75). Still others define it as a "process of influencing the thinking, attitudes and behaviours of a global community to work together synergistically toward a common vision and common goals" (Adler, 2001; Festing, 2001) in (Osland, Bird, Mendenhall, & Osland, 2006, p. 204).

Domestic leadership theories such as authentic (Avolio, Gardner, Walumbwa, Luthans, & May, 2004), ethical (Brown, Treviño, & Harrison, 2005; Trevino, Hartman, & Brown, 2000), servant (Greenleaf, 1977; Sendjaya & Sarros, 2002) and transformational (Bass, 1991; Bass & Steidlmeier, 1999) all contain the base characteristics of effective global leaders such as being ethical, moral, transparent, self-aware, balanced processing, and "other" oriented. According to Mendenhall et al., (2013), some global leadership characteristics are integrity, maturity, honesty, conscientiousness, values, ethics, and self-identity, which seem to be very compatible with domestic behaviors.

Some authors have identified contingency theory as an alternative theory that can be used in a global context (Morrison, 2000; Triandis, 1993). This assumption is based on the premise that cross-cultural variables act as moderators in every situation: With contingency theory, the cultural variables become usable parameters in developing leadership techniques to fit the contingency (Morrison, 2000). Using this model, researchers believe that contingency theory can become a universal leadership theory. While this appears to be a sound theoretical assumption, contingency theory lacks the essential behaviors required for inter-personal relationships. In essence, the author believes that this model needs additional analysis before becoming universally valid.

Oppel (2007) posits that global leaders need to be explorers with a repertoire of alternate characteristics that differentiate themselves from "domestic" leaders. People skills (separate from communications skills), language proficiency, experience in a multicultural environment, and multidisciplinary insights are some examples. Additionally, global leaders require not just emotional intelligence to work in different cultures and environments, but also cultural intelligence, or the "capability for successful adaptation to new cultural settings" (Early & Ang, 2003) in (Alon & Higgins, 2005, p. 506). We know that even though individuals possess these characteristics, that does not make them good leaders nor are they able to be effective in culturally diverse environments (Robinson & Harvey, 2008). There are other concerns for cross-cultural leaders to consider such as religion, history, political system, ethnic background, and cultural norms and values (House, Javidan, Hanges, & Dorfman, 2002; Morrison, 2000).

These types of characteristics appear to fall into the category of a descriptive theory that, from an academic perspective, means explaining the process or characteristics of how a leader behaves as opposed to the prescriptive or practitioner perspective, which identifies what a leader should do (Mendenhall et al., 2013; Morrison, 2000). From a global leader perspective, the descriptive behaviors are what one would expect from any discussion of leadership. From a prescriptive perspective, global leaders are also expected to build external relationships, generate profits, and manage risk (Morrison, 2000).

Global Leadership Paradigm

Understanding how domestic leadership characteristics and behaviors compare to global leadership competencies today and in the future is critical to the future success of not just domestic organizations but also multinational organizations. This understanding will be central to cross-cultural relations through inter-cultural understanding and environmental sustainability via corporate social responsibility. Today's leaders focus on common goals, inner personal commitment, and self-knowledge. Tomorrow's leaders might focus on mutual relations, common meaning making, and interrelatedness of the group (Mendenhall et al., 2013). This thinking will be important to developing socially responsible multinational organizations.

What does "global" entail and how can leaders use this knowledge? Global is not just a trans-border discussion in a geographic sense, it is also cross-cultural in its connection with humans and intellectual in developing a mindset that is concerned with global issues and experiences (Mendenhall et al., 2013; Osland et al., 2006). Understanding this "global" outlook is critical to developing global leaders. It is imperative that organizations work toward developing leaders with a global skill set even if the plan is not to become global. With the development of internet commerce, even small local businesses will become global actors.

Central to this discussion is developing global leaders. Mendenhall et al., (2013) highlight studies and organizations that are working to develop global leader competencies and training such as Global

Leadership and Organizational Behavior Effectiveness (GLOBE) (House et al., 2002). Other authors, through empirical studies, have identified that leaders need base characteristics that are universal to leaders regardless of the organization and include honesty, integrity, and values. They also identify characteristics such as demonstrating savvy, exhibiting character, and embracing duality as being central to global leadership (Morrison, 2000). In defining savvy as an aspect of global leaders, Morrison contends that there are two different forms of savvy: business savvy and organizational savvy. Business savvy is defined as leaders who know how to make a profit in a global organization and organizational savvy is defined as understanding the value chain and structure of the organization to include cost structure, overall competitiveness, location of management, and employee talent (Morrison, 2000).

Alon & Higgins (2005) have identified that emotional intelligence (EQ) accounts for 47-56% of work/life success, while other authors have linked EQ to most critical leadership skills (Goleman, Boyatzis, & McKee, 2002; Sadri, 2012). Controlling for EQ is important when linked to the six basic and universal (U.S.) emotions that are identified as happiness, surprise, fear, sadness, anger, and disgust. In addition to EQ is the development of cultural intelligence (CQ) which has been defined as the ability to select, shape, and adapt to the different cultural aspects of their environment (Ang et al., 2007; Earley & Mosakowski, 2004; Ng, Van Dyne, & Ang, 2009). There are two types of CQ as noted by Earley and Mosakowski in 2004 (Alon & Higgins, 2005). The first is organizational CQ and the second is geographic or ethnic in nature.

Organizational CQ is most important in the U.S. when leaders change organizations, and this is often what contributes to individual and organizational failure (Alon & Higgins, 2005). Geographic CQ is quite different as leadership behaviors vary across cultures (Alon & Higgins, 2005; House et al., 2002). Organizations need to understand that even if a leader possesses social, intellectual, and emotional intelligence, he may not be successful in other countries. Alon & Higgins (2005), suggest that organizations develop leaders using a "three-part model: assessment, education, and experience" (p. 503).

Organizations can also use global leader competency assessment and development tools that include the Global Competence Aptitude Assessment (GCAA) which evaluates a leader's *internal readiness*: Self-aware, Risk taking, Open-minded, and Respect for diversity, and *external readiness*: Globally aware, World history, Intercultural competence, and Cross-cultural effectiveness (Hunter et al., 2006) in (Mendenhall et al., 2013). There are many others in this series of global skills evaluation tools for organizations to use: Intercultural Effectiveness Scale (IES), Intercultural Development Inventory (IDI), and the Multicultural Personality Questionnaire (MPQ) to name a few (Mendenhall et al., 2013).

Global leaders also face new forms of conflict in multinational organizations as the talent pool becomes more diversified, and cultures, values, and religions clash. Conflict resolution and communications skills are required to be more effective in this environment (Zofi, 2012). Leaders must learn that when working in a multicultural environment that everyone symbolizes their communications within one context and then transfers it into another during the communications process (Najafbagy, 2008). To ensure clearer communications, leaders must clearly understand their culture and history and then become co-orientated about the host culture with which they will be communicating through development of their CQ.

It will be with the skills, behaviors, and education described above that global leaders will lead multinational organizations into the 21st century and beyond. As stated earlier, tomorrow's leaders might focus on mutual relations, common meaning making, and interrelatedness of the group (Mendenhall et al., 2013). Global leaders who gain international experience, develop cultural intelligence, and can communicate effectively while managing conflict in diverse environments will lead the way to the future.

Review

This paper discussed global leaders and the domestic leadership theories, skills, behaviors, and education that will be required for today's domestic leaders to become tomorrow's global leaders. Central to this discussion are the base characteristics of honesty, integrity, morals, and values and the leadership skills of conflict management and communication. Global leaders will require not just education and

experience, but also a highly developed level of cultural intelligence (Alon & Higgins, 2005; Ang et al., 2007; Earley & Mosakowski, 2004; Ng et al., 2009).

It also discussed global leader development and leader competencies. Organizational leaders are capable of determining if domestic leaders are ready to be moved into positions of global responsibility through the use of global competency inventories, surveys, and assessments (Mendenhall et al., 2013). Global leader development strategies have also been identified through demonstrating savvy, exhibiting character, and embracing duality and with assessments, education, and experience (Alon & Higgins, 2005; Mendenhall et al., 2013).

RECOMMENDATIONS

Future research into global leadership should be conducted with domestic leadership theories that are heavy in the base leader characteristics of honesty, integrity, morals, honor, and values. These leadership theories include authentic, servant, and ethical. Combining the values based theories with transformational or contingency theories of leadership could provide a window into how domestic leadership joined with international experience and training could help to develop global leaders.

Additionally, research with cultural intelligence development in close association with values based leadership could bring the reality of a global leader-training paradigm to reality. It is further recommended that organizations begin the development process early in a leader's career so the lessons learned through cultural immersion can be embraced and used in future situations.

CONCLUSION

Domestic leaders can be good global leaders with the proper mindset and training. Global leadership development consists of many diverse skills, behaviors, and competencies, and it is incumbent upon the organization to identify potential global leaders at an early stage using the myriad of assessment tools available today. The combination of assessment tools, education, global experience, cultural intelligence, and solid leadership training are good ways to develop tomorrow's leaders. Knowing this, there are no clear options with which organizations can turn to ensure global leaders will succeed. The best they can do is to provide them the tools and the opportunity. It is up to the leader to succeed.

Future research should study the more complex interactions between "other" based leadership theories and cultural intelligence to determine the correlational effects of leadership based on relationships and values as they relate to inter-cultural and cross-cultural norms. While some researchers believe that contingency theory has applications in the global context , this author believes that interpersonal skills and "other" focused leadership styles are more impactful than just following a theory for global interactions (Morrison, 2000; Triandis, 1993).

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