Leadership Skills for a Global Manager

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In a world dominated by global corporations, managers are increasingly finding that there is no substitute for the intercultural learning that comes from direct contact with people from different parts of the planet. Global managers don’t believe that a single, universal approach to communication, irrespective of culture, is appropriate. Conversely, they don’t believe in the necessity of going completely native. Blending both approaches seems to be the preferred model.

Managers must have global perspectives and boundary spanning capabilities, and employ geocentric as well as ethnocentric orientations, to meet the challenges they face in our world today. An intercultural manager needs contextual competence. Such skills include the capacity to understand different cultures. Other skill sets include Linguistic skills; capacity to recognize the importance of local customs, religion, history, climate, politics, and social norms. A manager cannot succeed without the capacity to introduce change in manner and at a pace suitable for local conditions, which entails connecting home and host country decision makers.

Intercultural management relies upon the effective functioning of diverse groups of people. This is, in short, the management of paradoxes, ambivalences, and ambiguities. Needed skills include accommodating a range of structural and behavioral dimensions that address different facets of organizational functioning?

International management, when compared with international business, mandates an integrative approach. Intercultural management borrows heavily from the behavioral sciences. This field has an individual as well as organizational focus. Managers need personality traits such as cultural empathy and mental flexibility that enable them to be appreciative of diversity.

Managers also need intercultural training involving instruction about the rules that govern communication, interaction and behavior in another culture. Intercultural training, allows them to learn the basic communication rules of a foreign culture, such as when to speak and to whom, and how others should be addressed.


Trompenaars (1993) quotes Clifford Geertz, who states “Culture is the means by which people communicate, perpetuate, and develop their knowledge about attitudes in life.” Trompenaars adds that “Culture is not a thing, a substance with a physical reality on its own. Rather it is made by people interacting (while) at the same time determining further interaction.4"

*Lets define how culture, affects an organization, in that case its called corporate culture.*

**Core values:**
Core values are not synonymous with culture. They are instead certain beliefs about what the organization stands for; how it values its customers, both internal and external; the direction in which the organization should move; and the nature of its work ethics5.

**Corporate culture:**
Is the pattern of the basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration?. These have worked well enough to be considered valid, and are therefore taught to new members as the correct way to perceive, think and feel in relation to those problems. (Schein, 1984)6.

The paragraph indicates that to some extent, culture follows an evolutionary path. *Culture must adapt, alter, enlarge and discard in order to be relevant and functional.*

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The core values of a corporation are akin to the constitution of a nation-state. High-performance organizations tend to have well-defined, strong core values that have been internalized by their entire workforce worldwide. The process of embedding core values is a continuous one and requires constant monitoring, evaluation and reevaluation8.

The case study of McDonalds Moscow illustrates a salient example of transmitting values effectively that made the Russian employees of McDonalds feel part of the corporation’s worldwide “family.” Four of the Russian managers from McDonalds restaurants in Moscow and sent to the Institute of Hamburger logy in Toronto for five months. There they learned the same techniques used by McDonalds 10,500 restaurants throughout the world.


They also studied at the McDonalds Hamburger University in the United States, the corporation’s fulltime international training center, which it established in 1961.

In contrast, the Canadian firm Aerostar’s Russian affiliate in Moscow failed to create an inclusive corporate culture for its local employees. Though locals were paid more than double the average Moscow wage, the company’s expat employees received about four times more. As a consequence, Russian employees felt themselves to be second-class citizens in comparison with employees from other countries. As a consequence, they were not receptive to corporate core values. Russian Aerostar staff didn’t feel valued enough as the other managers. In consequence, the firm increased the number of expatriate employees after its first year of operations in Russia, giving them at least the appearance of more power than local employees enjoyed.

McDonalds, by contrast, pulled out all its expatriates out of Moscow within a year and a half of starting operations, and replaced them with Russian managers. Moreover, they ensured that all managers were trained in Canada. Far from feeling discriminated against, the Moscow McDonald’s managers felt integrated into the McDonalds worldwide family. Consequently, they felt motivated to do there best for the company, and able to internalize the company’s strong core values.

The Canadian Director of IMP 9 chastised Russians employees of Moscow Aerostar for failing to incorporate the firm’s core values despite the imposition of quasi-Canadian system of training. Instruction for local workers included instruction on how to smile, handle telephones, and in the case of women, how to use make-up. This type of training together with the salary difference made the Russians felt exploited. To them, their compensation was not commensurate with the profits generated by Moscow Aerostar. Secondly, their expatriate colleagues earned substantially higher salaries. Finally, Russian Aerostar workers were expected to act in an what they perceived to be management’s artificial and contrived style. McDonalds’ managers felt they were paid equitably. They gained perquisites they deemed suitable, including free healthcare access to facilities at premium hospitals and clinics; meals on the job; and paid vacation time. In contrast, the Canadian manager at Moscow Aerostar saw its training program as a mechanism for “elevating” the Russian employees to international standards. She did not see a need to try to bond with Aerostar’s Russian employees10.

The way McDonald’s successfully disseminated its core values at its Russian restaurants sharply contrasted with the Canadian aerospace giant IMP Group Limited –IMP’s failures to do the same. The latter entered into a joint venture with Russia’s national airline Aeroflot to start a hotel, called Moscow Aerostar- to embed its core values in the joint venture it started in Russia.

For organizations to perform productively, employees need to feel recognized, and see themselves as being treated with respect and empathy. The relationship between a corporation and its personnel has to be viewed by the former as a mutually symbiotic relationship. Core values that hold a transnational organization together and constitute the common thread that binds its employees.

9 IMP Limited Group. Aerospace Canadian Company and other companies, such as hotels.
The manner through which the corporate culture was transmitted to foreign employees reflects the national culture to which the company belongs. McDonald's, an American company, prides itself on more egalitarianism. As a result, there are more entrepreneurs and more global American companies. Therefore, we can deduce that a flatter structure helps bonding employees and managers, leading to higher satisfaction and productivity levels.

Aerostar's management style followed the industrial engineers' approach—mechanically oriented—whereas the McDonald's implemented the behavioral scientist approach—focusing on the social and psychological part of the organization. These form part of three general philosophies of personnel management: organizational theorist, industrial engineers, and behavioral scientists.

**Eternal triangle: Three general philosophies of personnel management**

1. **Organizational theorists** believe that human needs are either so irrational or so varied and adjustable to specific situations that the major function of personnel management is to be as pragmatic as the occasion demands. If jobs are organized in a proper manner, they reason, the result will be the most efficient job structure, and the most favorable job attitudes will follow as a matter of course.

2. **Industrial engineers** hold that humankind is mechanically-oriented and economically motivated. Human needs, they feel, are best met by attuning the individual to the most efficient work process. The goal is to facilitate the most efficient use of the human machine. By structuring jobs in a manner that leads to the most efficient operation, such engineers believe that they can obtain the optimal organization of work and the proper work attitudes.

3. **Behavioral scientists** focus on group sentiments, attitudes of individual employees, and the organization's social and psychological climate. The belief is that proper attitudes will lead to efficient job and organizational structure.

Usually organizations combine two styles—from these three general philosophies—where one is the one that predominates. In McDonald's case, they applied in first term the behavioral scientist approach and then the organizational theorist one. The latter entails a clear hierarchy and well-defined job descriptions.

Trompenaars characterized corporate culture into four categories, using four metaphors: the family, the Eiffel tower, the guided missile, and the incubator.

1. **The family:** here, relationships between managers are personal, and a well-defined hierarchy predominates.

2. **The Eiffel Tower:** this symbolizes a bureaucratic corporate culture with a clear division of labor, combined with various roles and functions coordinated by top management.

3. **The guided missile:** Resembles that of project teams used by the National Aeronautics and Space Administration (NASA) to fabricate guided missiles. Organizations that adopt the guided missile culture are egalitarian. There is a matrix organization.

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4- **The incubator:** Where managers can achieve self-expression and self-fulfillment. Relationships amongst managers are both personal and egalitarian\(^\text{13}\).

In the case studies presented above, McDonalds falls under the guided missile corporate culture. The Canadian company followed the engineering style.

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<th>Trompenaars’ cultural map: national patterns of corporate culture:</th>
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<tbody>
<tr>
<td><strong>Family</strong></td>
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<td>France, Belgium, India, Spain, Japan.</td>
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Culture is one of the variables that influence systems and patterns of thought, and even the manner in which individuals plan knowledge-building endeavors. *Knowledge managers, especially in a cross-cultural context, require singular leadership and management practices*\(^\text{14}\).

One conclusion for corporate leaders: managerial excellence is the product of both processes and people. Consequently, they have to generate favorable environments for personal fulfillment.

**Leadership**

The Transformational Leader motivates personnel to fully realize their potential. He or she enables ordinary individuals to do extraordinary things. However, to be successful in an intercultural sense, a transformational leader must be both a team-player and be prepared to be influenced by, and learn from, other organizational members.

True leadership takes people somewhere so that they can accomplish something. That requires a leader to connect people’s potential to their performance\(^\text{15}\).

An example of a visionary leader, a person not afraid of taking big strides, and facing risks. Good leaders forge ahead, break ground, and make mistakes.

Susan Wojcicki\(^\text{16}\) *believes in the power of story and knows that everything and everyone has its own narrative that deserves to be told.* She grew within Google, eventually becoming its senior vice president for advertising &commerce. Wojcickii is credited with proposing to Google's board that the company buyYouTube, which, at that time (2006) was a small start-up that was competing with Google. She handled two of Google’s largest acquisitions: the $1.65 billion purchase of YouTube in 2006 and the $3.1 billion purchase of Double-click in 2007. Wojcicki later became You Tube’s vice president and in February 2014 its CEO. The firm aggregates all of those stories, in all shapes and

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\(^{16}\)Time Magazine. 2015. “The 100 most influential people”. April 27-May 4, 2015
sizes, and makes them available to the world. It sounds simple but YouTube is probably the most valuable storytelling outlet our planet has ever seen, inspiring millions of people around the globe to share their stories.

**Current Economy**

Business investment is a necessary condition for economic dynamism. However, entrepreneurs orchestrate management, company management, resource allocation, and planning and control. Entrepreneurs impact the economy, capturing business opportunity and taking risks.

**Impact of entrepreneurs**

Entrepreneurs probably bear more responsibility than anyone for converting the United States into an economic powerhouse. Among them are such icons as Henry Ford, Thomas Edison, Bill Gates, Steve Jobs, Rockefeller, and Walt Disney. The list is long; these are only a representative group. As we have analyzed, it is no a simple coincidence that most of the big multinational companies are Americans, which have flatter hierarchical organizations.

Countries with smaller economies, such as the Czech Republic, also have successful entrepreneurs. Roman Stanek, a software tycoon, specialized in the “cloud internet system”. He praises the teamwork and talent as key factors for a company to succeed. Despite being reared under the communist regime of Czechoslovakia, he ventured into great technology related projects after the regime’s demise. Stanek’s entrepreneurial endeavors began shortly after graduating from the Czech Technical University in Prague. Shortly thereafter, he started creating companies. Despite not having access to a computer at school, he became the preeminent U.S software distributor in Eastern Europe.

The factors of success repeated in leaders’ testimonies include their full-time commitment, ability to adapt to the crisis, perseverance to pursue an idea, absence of paralyzing fear to risk, surrounding themselves with capable people, and concentrating on what really matters. All recognize the randomness of good luck.

Entrepreneurs view failure as necessary and essential for developing a business even at a personal level. In the corporate culture of Silicon Valley, the failure rate speaks much of the person because it reflects how persistent the failed has become.

Despite having an arguably command economy, Argentina also claims a list of distinguished entrepreneurs. Despegar a travel agency, was once on the verge of being purchased by the online travel icon Travelocity, until the country’s financial problems forced it to cease operations. Today, Despegar is South America’s largest online travel agency, and 50 times more profitable today that at the time of its creation in 1999.

**Getting spiritual**

Even the Old Testament of the Bible describes a key characteristic of a leader. Leader are often referred to as the anointed one, and the beneficiaries of an “anointing oil.” Why oil? Perhaps because the substance always rises to the top and could never be diluted under conditions that existed thousands of years ago. Oil also permeates everything with which it comes in contact. In biblical times, the substance symbolizes the distilled essence of everything. Hence it necessarily possesses
two characteristics, it has paradoxical traits, permeating while not mingling. On the one hand, oil is itself distinct and separate from everything.

Managers sometimes fail to appreciate how profoundly an organizational climate can influence financial results. It can account for nearly a third of financial performance. Organizational climate, in turn, is influenced by leadership style – by the way the managers motivate direct reports, manage and make decisions, manage change initiatives and handle crises.

Research has shown\(^{17}\) that the most successful leaders have strengths in the following emotional intelligence competencies: self-awareness, self-regulation, motivation, empathy and social skills. Goleman identifies six basic styles of leadership; each makes use of the key components of emotional intelligence in different combinations. The best leaders don’t know just one style of leadership – they are skilled at several, and have the flexibility to switch between styles as the circumstances dictate. These key factors that influence an organization’s working environment: flexibility, sense of responsibility, level of standards that people set, sense of accuracy about performance, reward system, clarity people have about mission and values and the level of commitment to a common purpose.

The six basic leadership styles Goleman identifies\(^{18}\) derive from different emotional intelligence competences, works best in particular situations and affects the organizational climate in different ways.

1- The coercive style: “Do what I say” approach can be very effective in a turnaround situation, a natural disaster. In most situations this style inhibits an organization’s flexibility and dampens employees’ motivation.

2- The authoritative style: Leader takes the “come with me” approach. States the overall goal but gives the people the freedom to choose their own means of achieving it. Works when there is a need for a bold move. Doesn’t work when a leader is working with a team of experts, close to his/her level.

3- The affiliative style: “People come first”. Style useful for building team harmony or increasing morale. But its exclusive focus on praise can allow poor performance to continue. These types of leaders rarely offer advice.

4- The democratic style: It doesn’t have a high impact on organizational climate as could be expected. By giving workers a voice in decisions, democratic leaders build organizational flexibility and responsibility and help generate fresh ideas. But sometimes the price is endless meetings and confused employees who feel leaderless.

5- The pacesetting style: A leader who sets high performance standards and exemplifies them himself/herself having a positive impact on employees. “Do as I do, now” approach. The style works to get quick results from highly motivated and competent team, though it has an overall negative impact on climate.

6- The coaching style: It focuses more on personal development than on immediate work-related tasks. It works well when employees are aware of their weaknesses and want to improve, but


not when they are resistant to changing their ways. The ongoing dialogue of coaching guarantees that people know what is expected of them and how their work fits into a larger vision or strategy. It affects responsibility and clarity because the message is “I believe in you, I am investing in you and expect your best efforts”. It has a positive impact on the organization climate.

The more styles a leader has mastered, the better.

Wills’ model (1996)\textsuperscript{19} embodies three key success factors that culturally diverse managers identified as \textbf{vital for effective leadership}: Individual level issues is the first of these, embodying the qualities a culturally diverse leader should possess, including empathy, empowerment (the act of strengthening an individual’s beliefs in his or her sense of effectiveness) and emotional intelligence (allow employees to express their emotions rather than suppressing them).

Wills’ second factor is the ability of a leader to “bridge issues,” through communication, visioning and charisma. Finally, social issues reflect the characteristics of the society in which the branch of a transnational corporation functions. It also includes competitiveness and change.

\textbf{Conclusion}

The new economy is the primary importance that the "human factor"." We live in the era of innovation, creativity, and more and more the future of the country, as management experts’ state will depend on its ability to generate new entrepreneurs. As we have seen in the Eternal triangle, the most appropriate personnel management approach for this era would be: behavioral sciences, predominantly and in a lesser way the organizational theory with define job descriptions.

How can management transmit core values to its workforce? Communication is key. The process is aligned to local culture to ensure acceptance of the context. After all, “we are ourselves and what is around us”\textsuperscript{20}.

Effective international management has an integrative approach that encompasses behavioral sciences, psychology, business administration and finance. A manager must be a good leader capable of empowering his or her team.

As Jack Welch\textsuperscript{21}, the former CEO of General Electric, once said, “A leader’s role is not to control people or stay on top of things, but rather to guide, energize, and excite”.

Good leaders forge ahead, break ground and make mistakes. They also need a positive intelligence. It means that they need to emphasize on the positive, they need to be willing to take risks, and to think differently. In fact, a cognitive scientist-Davison, R. maintains that positivity is very beneficial. It was proved that is activates the positive reward circuit of the brain. This circuit is vital for motivation and comforting things. Rich in dopamine, promotes positive feelings, energizes us to pursue our goals and desires. In short, the positive approach is necessary for progress.

\textsuperscript{20} Ortega y Gasset (1883-1955). Spanish Philosopher.