

CROSS CULTURAL LEADERSHIP

EXECUTIVE SUMMARY

The UK based Glug PLC is a soft drink manufacturer and distributor. The target market is currently limited to European regions. The organization is planning to transform its business form export business model to global product suppliers in every continent. For this purpose, it is planning to hire a team of 50 individual to support achievement of its long term goals.

It has been planned the team member will work from their home country and work under the supervision of a project manager. Before the appointment and hiring are finalized, the CEO aims to analyze the situation to deal with people from diverse backgrounds. Thus the following report is prepared in context with cross cultural leadership theories, styles, skills and issues that influence the relationship among the member and affect the achievement of targets.

Thus an in depth explanation of theories based on the research work of known authors are mentioned to help understand the appropriate ways to deal with people and situations. It also explains the required skills and abilities of the leader to ensure the effectiveness of team building and achievement of goals. Furthermore recommendation on the choice of leadership style is also explained supported by the various styles based on the theories developed.

TABLE OF CONTENTS

INTRODUCTION	1
TASK 1 FACTORS TO MANAGE CULTURALLY DIVERSE AND GEOGRAPHICALLY DISPERSED TEAM.....	1
Hofstede fundamental dimensions.....	1
Criticisms of Hofstede model	3
The globe studies from.....	3
10 globe cultural cluster.....	4
TASK 2 FACTORS CONSIDERED FOR SELECTION OF PROJECT MANAGER.	5
Global leadership behaviour	5
Issue faced by the project manager	6
TASK 3 COMPARE AND CONTRAST THE APPROACHES AND STYLES OF LEADERSHIP	8
CONCLUSION.....	9
RECOMMENDATION	9
REFERENCES	2

TABLE OF FIGURES

Figure 1: Hofstede Model	2
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INTRODUCTION

The concept of cross cultural leadership has gained attention with the necessity to take part in the era of globalisation and liberalization. Business organisations cannot escape the need to work across cultures. The leaders need to be adaptive and open to organise and manage work with people in different cultural settings. The significance lies here that how well leaders can communicate and understand the international behind the expressions and words. In respect with this, a report focusing on the management of culturally diverse and geographically dispersed team prepared below. It further aims to describe traits of global leadership behaviour and challenges occurred in the team management.

TASK 1 FACTORS TO MANAGE CULTURALLY DIVERSE AND GEOGRAPHICALLY DISPERSED TEAM

Hofstede fundamental dimensions

Geert Hofstede conducted a study if 116,000 employees of IBM situated in 40 countries. The results revealed that are huge differences as well as similarities in the six dimensions that underlies the purpose of study (Jonsson, 2015).

- ✓ ***Power distance*** – This dimension is related with the degree of equality and inequality among the people in society. A nation with high power distance indicates that acceptance to prolong inequality between people. For example, societies following caste system do not allow women to take part in activities outside home (Schyns, Meindl and Croon, 2007). Whereas nations with low power distance emphasized on freedom and equal behavior among the people regardless of caste, color or income.
- ✓ ***Uncertainty avoidance*** – This dimension is related to the acceptance of uncertainty in the society. A nation scoring high on uncertainty scale indicates people have low tolerance to uncertainties (Begley, 2007). These societies have developed rules and laws that control their behavior. In contrast to this, a nation with low uncertainty score indicates flexibility towards experimentation and variety. People in such societies are ready to accept to risk and challenges.
- ✓ ***Individualism*** – This dimension relate with the degree the society strengthens collective or individual achievement and relationship among individuals. A nation with high individualism indicates that individual rights are exercised. People are more social and

build relationships. But despite too many relationships there is not strong connection among the people (Deng and Gibson, 2009). On the other hand, low individualism indicates that society is characterized by collectivism. In such societies even though there are limited relationships but individual develops strong bond between them. The society members tend to give more preference to family.

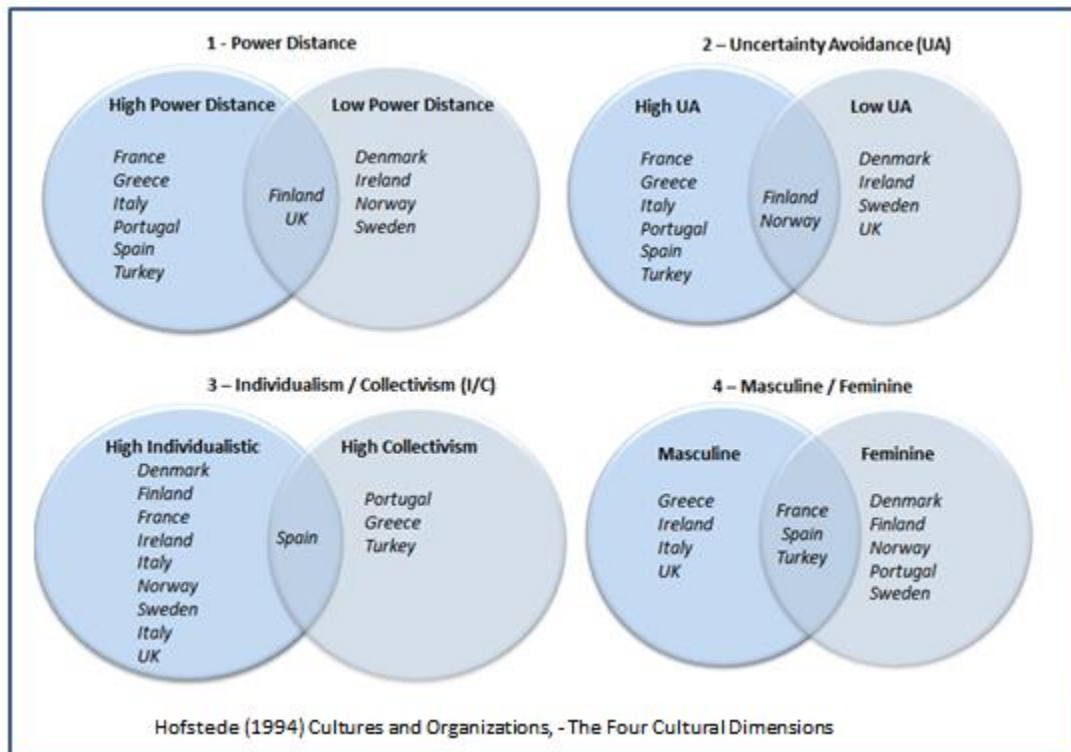


Figure 1: Hofstede Model
(AGENTS2CHANGE, 2011)

- ✓ **Masculinity -femininity** - This dimension is related with the age old gender difference that still occurs in many societies. A nation with high masculinity indicates high degree of gender differences where males rule the family and dominate with power (Madzar, 2005). A nation with low masculinity indicates society does not emphasize on gender difference and considers all individual as equal members.
- ✓ **Long term orientation** – The dimension deals with the degree to which individuals are linked with their past. It focuses on how individuals maintain their traditional values and beliefs. A nation with high long term orientation promotes modern trends to deal with the future needs (Garcia-Retamero and Lopez-Zafra, 2009). Whereas a nation with low score in long term orientation indicates that people tend to attach to their traditional roots.

- ✓ **Indulgence** – This refers to the degree that individuals in a society are free to enjoy their lives. A nation with high indulgence indicates people are free to take part in entertainment activities. On the other hand societies with low indulgence score indicates that people are restricted to express their feelings and take part in fun activities (Frost and Walker, 2007).

Criticisms of Hofstede model

The Hofstede work was analysed by both supporters and critics. There are many arguments raised against the choice of dimensions and issues pertinent to it.

The Hofstede work was criticized on the basis of relevancy. Researchers argue that a survey is not enough to determine the cultural differences (Robertson and Webber, 2000). This is actually considered obvious in practical world because the variable under study is more of subjective nature.

Another criterion for criticism was cultural homogeneity. The Hofstede's model considers population as homogenous group. However many countries are groups of small homogenous units that are very distinct from each other (Pounder, 2008). Thus analysis is restricted by the characteristics of individual while also ignoring the significance of community and its influences.

The two dimensions masculinity and uncertainty avoidance are criticized because researcher think that at the time of survey many nations were vulnerable to war like situations and facing political instabilities (Romero, 2004). Thus from those nations were influenced by the then situations which may be changed to something better.

Critics also said that study data was limited to only one company. The people into study do not represent the whole community or society.

It was also argued that cultural differences cannot be explained fully on the basis of only five or six dimensions (Scandura and Dorfman, 2004). As there are many other dimension like food, cloth, language, expression and body language that create huge difference between people in different societies.

The globe studies from

The GLOBE (Global Leadership and Organizational Behavior Effectiveness Research) carried out by House, R. J. and associates in 1991 collected data from 17000 managers in 950 companies and used qualitative methods to develop cultural competencies.

- **Performance orientation** – It is the degree to which the organization encourages and rewards employee for performance improvement (Yan, 2005).
- **Assertiveness orientation** – It is the extent at which individual in a society are confident and aggressive in social relations.
- **Future orientation** – It relate to the degree to which individual are concerned about their future and consider planning and investment (Kessler and Wong-MingJi, 2009).
- **Human orientation** – It is the degree to which society encourages and rewards individuals for their effective role as being friendly, generous and caring.
- **Collectivism I: Institutional collectivism** – It refers to the extent that how societies and organisations encourage collective distribution of resources (Derr, Roussillon and Bournois, 2002).
- **Collectivism II: In-group collectivism** – It refers to the degree to which individual express loyalty and pride.
- **Gender egalitarianism** – It reflects how the society and organization reduce the gender differences and discrimination (Dickson, 2003).
- **Power distance** – It reflects that how the individual agree to the equal sharing of power.
- **Uncertainty avoidance** – It refers to the degree at which individuals avoid uncertainty and adopt practices to deal with future challenges.

10 globe cultural cluster

The nations included in each group are as follow -

- ✚ Anglo Cultures – Australia, England, New Zealand, United States, Canada, South Africa, Ireland.
- ✚ Arab Cultures – Egypt, Kuwait, Iraq, Jordan, Saudi Arabia, etc.
- ✚ Confucian-Asia – Chiba, Vietnam, Japan, Hong Kong, South Korea, Singapore, etc.
- ✚ Eastern- Europe – Romania, Russia, Hungary, Poland, etc.
- ✚ Germanic Europe – Austria, Switzerland, Germany
- ✚ Latin-America – Mexico, Colombia, Argentina
- ✚ Latin Europe – Switzerland, France, Spain, Portugal, Italy.
- ✚ Nordic Europe – Sweden, Denmark, etc.
- ✚ Sub-Saharan – Zambia, South Africa, Nigeria, etc.
- ✚ Southern Asia – India, Malaysia, Thailand, Iran

TASK 2 FACTORS CONSIDERED FOR SELECTION OF PROJECT MANAGER.

There are different that must be considered while selecting the project manager. The factors should include experience, skills and competencies. It is because the entire team member will be connected and report to one central authority. The manager will be mediator between the team member and also between the organization and members (Fisher-Yoshida and Geller, 2009).

Global leadership behaviour

The skills approach is proposed by Robert Katz in 1955. Unlike form the trait theory that take into consideration personal characteristics, the skills approaches emphasised on skills and abilities which can be learned by an individual to lead the team. The skills approach does not ignore the personality traits but it suggests that to be an effective leader, it require certain skills and knowledge (Osland, Rubin and Kolb, 2001). The approach identified three different abilities that an effective leader must possess –

- ✓ **Technical skills** – It refers to the knowledge and expertise in particular fields. This may include competency, analytical skills and ability to appropriate tools and methods. In order to lead a project team of marketing and production specialists, the project manager is required to have hands on approach in both the fields. He should be capable enough to understand the complexities and changelings involved in the two areas (Harris, Moran and Moran, 2004). He should also be aware of production methods and technique and marketing strategies and tactics in the global world.
- ✓ **Human skills** – It refers that effective leaders should have knowledge, understanding and ability to work with people from diverse settings. This is difference form the technical skills and is concerned with the concept of human behaviour (Kaplan, 2004). An individual can learn the ability to deal with tools and technique but it is not easy to gain people's skills through theoretical lectures. The project manager should assist its associates and subordinates to achieve the common goals to organization. It emphasize on that an effective should consider the perspective of the other while having its own view for the issue (Livermore, 2010). The leader should promote and encourage an environment of trust and support so that group member feel comfortable with each other.

The leader should also be sensitive and emotional to human needs of motivation and satisfactions.

- ✓ **Conceptual skills** – This is the ability and skill to develop ideas and creativity. The technical skills deal with tools and human skills deal with people, the conceptual skills deal with the ability to show innovative skills. An effective leader who possesses conceptual skills has the ability to transform the organization. The leader is effective in converting ideas into reality (Reynolds, 2002).

Thus the project manager for the team should possess conceptual skills that define the willingness to accept risk and challenges and develop innovative solutions to usual problems. Moreover conceptual skills are central to every organization's vision and strategic plan.

Issues faced by the project manager

The project will certainly face issues while dealing with human beings. The challenges with individuals at work are normal as influenced by normal human behaviour and moreover two people cannot have an agreement on similar topics (Price, 2012). There are some of level differences that are inherited among the individual in addition to family upbringing, society and education that develops a mental ability to see things in that direction. Moreover issues among human beings are not uncommon (Gorey, 2015). The following are discussed some of the issues which must be considered on a proactive basis by the manager -

- ✓ **Technology** – The production technology may be different among the diverse group of people. People in one region may have a different technique of production than in the other nation. Moreover they may have their own logics and reasons for the appropriate use (Jonsson, and et.al., 2015). Thus it requires that the project manager must develop a standardized procedure for work and train the team so that individuals do not have any confusion.
- ✓ **Language/ terminology** – The use of words and expressions will no doubt be different among the different cultural settings. It may happen that people belong to the same nation use different languages and terminology (Schyns, Meindl and Croon, 2007). Thus the project manager should emphasize on using a common language that can be used and understood by everyone. In addition to this, there should be a formal and official language for use by all individuals (Begley, 2007).

- ✓ ***Team cohesion*** – new member in organization take time to involve with each. This thing will also apply here and may take more time as group members are situated far off from each other. It is actually the duty of project manager to develop strong bond among the team member through more frequent virtual meetings and discussions (Deng and Gibson, 2009).
- ✓ ***Time zones*** – People in different nations will work at their time zones. So this may raise a concern at the event of urgent work or an issue at the client side. To deal with this issue, the project manager can assign three or four individuals who will handle the issues and urgent request (Deng and Gibson, 2009). An equal amount of time can be divided among them. The other members re also requested to address the issues if it require their urgent attention.
- ✓ ***Managing workloads*** – The allocation and management of work load should be based on the skills and abilities of the employees. It is not necessary that a team have the ability to work for unusual hours. The project should understand that human capabilities are limited and individual cannot be purchased behind that (Garcia-Retamero and Lopez-Zafra, 2009). Thus work should be assigned on individual knowledge, skills and abilities in the particular field. However all group member must be aware of that extra work load will be handled equally among them.
- ✓ ***Relationship building between leader members*** – It is equally important that the leader should have strong bond with each of its team member in order to achieve the goals and at the same time satisfying the human need (Frost and Walker, 2007). The bond is also necessary because in the absence of it, the member may be hesitant to discuss any major issue that affects the business operations. Thus the project manager should ensure that it has strong ties with each of the group member.
- ✓ ***Communication/ coordination*** – The strong bond between the members can be established through effective communication and coordination. Both communication and coordination complements each other in the way communication increases the coordination and coordination will again support increased communication (Robertson and Webber, 2000). The project manager should ensure that members should communicate with each other through formal and informal process such as chat and email and share their views for the business operations.

TASK 3 COMPARE AND CONTRAST THE APPROACHES AND STYLES OF LEADERSHIP

Over the time there is a variety of leadership theories developed by authors. But all the researchers agree to one common aspect of leadership and that is the ability to influence. There is one single definition that gains support of all authors which states that leadership is a process that influences the members of a group for the purpose of attainment of common goal (Pounder, 2008). The manor theories which are practically used in present context are as follows –

A. Trait theories – This theory emphasized on personality characteristics passed by effective leaders that are uncommon to other individuals. The traits are as described –

- **Intelligence** – Leader are analytical in their approach and posses the ability to judge people and things (Romero, 2004).
- **Drive** – Leaders are highly ambitious and have their own goal. Effective leaders posses the skills to influence the team in order to achieve personal and organisational goals.
- **Job relevant knowledge** – leaders are multitasking and have pool of information for any minute task related with the work process (Scandura and Dorfman, 2004).
- **Self confidence** – Leader are powered with high self-confidence that help them to deal with challenges and uncertain situations.
- **Honesty and integrity** – Leaders are faithful to themselves and other.
- **Desire to lead** - Leaders posses strong desire to lead the team and influence them with his opinion (Yan, 2005).

B. Situational theories – The situation theory is based on the approach that selection of leadership skills should be based on particular situations in order to produce desired results. It contradicts the concept that same skills would be relevant in any situation and instead emphasized use of skills that match with the situation (Kessler and Wong-MingJi, 2009). There are two different models defined under the theory –

- **Contingency model** - This model empathise on task oriented leadership style as more effective in any situation.
- **People oriented model** - This emphasized that employees should be at the centre of everything. They must be encouraged and support for performance improvement and efficiency (Derr, Roussillon and Bournois, 2002).

C. Behavioural theories – This refers that eldership traits are inherited in the individuals.

- **Autocratic** – Leaders dominate employees with their opinions and dictate the work methods.
- **Democratic** – Leaders consider employees as partners and allow their suggestion in problem solving situations (Dickson, 2003).
- **Laissez-faire** – Leader provide complete freedom to the team members.

For the project manager, it is suggested to adopt a mix of leadership style based on behavioural and situational theory. The project manager should emphasize on democratic approach and allows group members to participate in decision making process (Fisher-Yoshida and Geller, 2009). Simultaneously for the work related, the manager can adopt contingency approach and while dealing with human being can adopt people oriented approach.

CONCLUSION

It can be concluded from the above report that difference in cultural settings should not be ignored when dealing with employees or customers. The various model described above explains the difference and identified common regions that possess the similarities. In addition to this, skills approach is also described that emphasis on skills and abilities required by the project manager to lead the team. The project manager will possible face issue related to technical and human while dealing with diverse team members. To deal with these issues, the project manager is requiring taking proactive approach and developing standard process to ensure uniformity to procedure. Furthermore, leadership theories are explained that are commonly seen in present time. The project manager is required to apply mix leadership styles and approaches based on the situation instead on relying on single approach of management.

RECOMMENDATION

It is thus recommended from the above theories, approaches, model and styles that in order to achieve the organizational goals to supply the product on global level, an effective leadership should form its base. It is because the ability of leader will drive the efforts of individual in the desired direction. The cross cultural approaches describes above requires that effective leaders should not ignore the cultural difference that exist in different nations and regions that influences the employee behaviour and their work culture. So it is important that a proactive approach should be developed to hire the appropriate team members and develop a

standard method to utilise the flow of communication and allocation of work. It is also recommend that project manager should not rely on single leadership style and behaviour and instead follow a mixed approach according to the situation.

SELF REFLECTION

I have studied the concept of cross cultural leadership in classroom lectures and books. But the report has been helpful in increasing my knowledge and understanding to a new level in the area. I was aware of the aspect that there are cultural differences that exist among the nation but is not aware of the fact that cultural diversity also affects the individual at work place also. I have now realised that understanding of cultural diversity and related areas are necessary for an organization in order to organise work and manager people. I have also learned and analysed various theories and model of the known authors developed in the field of cross cultural leadership and leadership styles.

I also feel that I have expanded my literary analysis and writing skills with the preparation of above report.

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