LEADERS AND CULTURES

BALANCING GLOBAL LEADERSHIP

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In a globalized world, a leadership model that has been constructed on Western beliefs cannot be held up as a precursor to managerial and organizational effectiveness.

LEADERSHIP • EMOTIONAL INTELLIGENCE • DIVERSITY • GLOBALIZATION

What is leadership? Is it, as some would claim, like beauty, something that is hard to define but instantly recognizable? Or are there many ideas of leadership; is it a concept that is culture-bound, rather like ideas of beauty? Is a leader a heroic, Braveheart-like figure, a strong-willed visionary, or are they more Confucian, the handmaiden of change that emanates naturally from within the situation, without the need for heroic effort?

The answer is both, but much of what is written on the subject discusses or proposes a particular leadership model that has been constructed on Western (mostly American) beliefs, values and cultures, and then offers this model to the world as a precursor to managerial and organizational effectiveness.

However, in a globalized world, this simply won't do. Whether in Japan or the U.S., China or Mexico, global leaders face the same problem: how to adapt their leadership style to fit local circumstances in order to achieve corporate objectives. Research has consistently demonstrated that preferred leadership styles vary considerably across cultures and as managers increasingly face the challenge of leading employees from different cultural backgrounds and with divergent expectations about hierarchy, power and interpersonal relations, it becomes important for them to understand how cultural dynamics influence effective leadership. In searching for the essence of global leadership, managers generally approach the issue in one of three different ways.

THE UNIVERSAL APPROACH

The underlying belief in the universal approach is that leadership traits and processes are relatively constant across cultures and that leadership models are universally applicable, regardless of location. A good example of this can be seen in the ongoing debate in the West over the relative merits of transformational and transactional leadership. Advocates of transformational leadership, in which managers work to create a universally accepted vision of where the group or organization should go and then use moral persuasion (and often charismatic leadership) to reinforce this mission, argue that such an approach is superior to the transactional model, in which concrete exchange relationships with employees largely determine results.

The problem here is that recent research in Japan found that neither of these approaches is very effective in that country. Transformational leaders are often seen as being too abstract, while transactional leaders are sometimes seen as being too mercenary — and both are criticized for being too manipulative. Instead, successful Japanese managers tend to prefer something called "gate-keeping leadership," where they work to reduce the barriers to successful performance

IT IS IMPORTANT TO RECOGNIZE THAT LEADERSHIP IS A CULTURAL CONSTRUCT THAT IS EMBEDDED IN DIVERSE CULTURES.

among their subordinates. Here is the problem: If these Western theories fail to work in Japan, one wonders where else they might also fail (e.g., Brazil, Russia, Egypt or India).

THE NORMATIVE APPROACH

Here the focus is on the leader as a global manager. It is assumed that certain sets of leader traits and abilities are common to all managers regardless of where they are working. Recent work on the "global mindset," "cultural intelligence," and "global leadership" illustrate this approach. For example, successful global leaders are thought by some to exhibit cosmopolitanism, cognitive complexity, mental inquisitiveness, honesty, humility and personal resiliency. Leaders who possess this cluster of skills and abilities are thought to be prepared to manage effectively throughout much of the world. However, whether these traits are indeed commonplace among successful managers in different parts of the world has yet to be demonstrated. This raises questions about the normative assumptions underlying the model.

THE CONTINGENCY APPROACH

The third approach, which we refer to as the contingency approach, begins with the assumption that there are no universals in describing effective leadership. That is, successful leaders in New York may fail in Tokyo or Paris if they are unable to modify their behaviors to suit the unique local environments. This approach looks at leadership as a culturally embedded process, not a series of personal traits of the manager or followers. Here the focus is on the leader as a local manager, not a global one, and it is assumed that the characteristics for success will vary with the situation.

An example of the contingency approach can be seen in the use of symbolic leadership in Japan, where executives publicly and willingly accept both the responsibility and the consequences for corporate failures. Such behavior is commonplace and often required in this culture, but not necessarily in others. Witness, for example, the testimony of Toyota's president and CEO **Akio Toyoda** before the U.S. Congress, in which he accepted full responsibility for mechanical problems associated with the company's cars. At the same time, and in similar congressional testimony, BP's British CEO **Tony Hayward** worked diligently to avoid accepting similar responsibility following his company's disastrous oil spill in the Gulf.

LEADERSHIP AS A CULTURAL CONSTRUCT

While all these models add value to our efforts to understand leadership in a global context, it is our opinion that they all miss the mark in sufficiently explaining the leadership construct as it relates to global diversity. First and foremost, it is important to recognize that leadership is a cultural construct. Its meaning is embedded in the diverse cultures where it is exercised, and changes accordingly. Most important here, it is not a Western construct that is easily expanded to global dimensions. Leadership means different things to different people. Leaders tend to be respected, admired and, indeed, sometimes revered, whether they are in the political or business arena, but clearly, this is not a universal truth. The opposite view of leaders can also be found in many countries. In Mexico, Egypt and Romania, for example, a widespread distrust and fear of power or the dislike of privilege prevails.

Furthermore, in individualist societies, leadership typically refers to a single person who guides and directs the actions of others, often in a very visible way. In more collectivistic societies, however, leadership is often less associated with individuals and more closely aligned with group endeavors. Indeed, the Anglo-American celebration of the accomplishments of various leaders stands in stark contrast to Lao Tzu's ancient, but still widely cited observation that "a leader is best when people barely know he exists, who talks little, and when his work is done and his aim fulfilled, people will say, we did this ourselves."

EAST IS EAST

When Westerners interact with Chinese managers and leaders, they often come away from the experience confused and frustrated. Common Western responses include perceptions that Chinese leaders refuse to act decisively, fail to respond candidly, are ambiguous about their goals and objectives, and generally do not act like "leaders." To many Western executives, this appears to be ineffectual or even deceitful, making it difficult to build good working relationships. However, if we examine leadership through a cross-cultural lens, the picture can look quite different.

In many ways, current management thought as taught in many parts of the world is based on the original Greek concept of the ideal and purposeful action. Strategy appears as the art of arranging means towards desired end states. Corporate vision and mission make for a concrete definition of organizational ideals. Executives manage by objectives, and leaders strive to actively move the firm closer to achieving business goals and ideals that are carefully and publicly defined and implemented.

Chinese tradition, on the other hand, emphasizes positioning oneself in the flow of reality in a more passive way, so that we can discover its coherence and benefit from its natural evolution. Rather than establishing a set of objectives for action, one has to flow within the potential of each situation and the dynamics that the situation affords. As such, leaders must locate themselves in such a position that the desired path of events becomes the only viable alternative, the same way that they do not force the enemy (militarily or commercially) into a situation where their only alternative is to behave bravely against them.

CULTURAL INTELLIGENCE

Managers facing global assignments need to think about how they conceptualize leadership and managing people. What does this mean to them as a manager? Do they believe in a one-size-fits-all approach or a more tailored approach that recognizes local differences? Do they take a universal or normative or contingency approach? And what are the limitations of their approach in the field where it matters? Finally, is there a better — perhaps broader — way to do this? Spending a bit of time considering just what leadership means can go a long way towards preparing managers for success in upcoming global assignments.

Second, with this understanding - and with their antenna out - managers on global assignments can and should go the extra mile to understand the uniqueness of the local environment and work to accommodate cultural differences where they exist. This is not to suggest that managers "go native." Such a move risks losing authenticity as a manager, leading to confusion and often distrust among subordinates. And, indeed, there are many examples of foreign leaders who were chosen largely because they would approach their jobs in radically different ways, not local ones. Consider the selection of **Carlos Ghosn** at Nissan or **Howard Stringer** at Sony. These executives were selected primarily because the companies wanted change, not continuity, thereby requiring a mold-breaking leadership style. But this task is seldom easy.

Hence, the challenge for global managers is not to capriciously try to imitate local behavior - a task fraught with risk and often doomed to failure. Rather, it is to try to understand local conditions and then act in authentic ways that are compatible, but not necessarily synonymous, with local expectations. Being unique can often prove to be a successful behavioral strategy, so long as such behavior is clearly understood by others to be supportive of local goals and objectives and not contradictory to cultural values and expectations.

Leading people from different cultures and, in fact, being led by people from different cultures, opens up considerable opportunities to learn more about ourselves, discover new ways of doing things, and find creative solutions to both old and new problems.

CHINESE TRADITION EMPHASIZES POSITIONING ONESELF IN THE FLOW OF REALITY TO BENEFIT FROM ITS NATURAL EVOLUTION.