

**"THE GLOBAL DIMENSION IN LEADERSHIP  
AND ORGANIZATION : ISSUES AND  
CONTROVERSIES**

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THE GLOBAL DIMENSION IN  
LEADERSHIP AND ORGANIZATION:  
ISSUES AND CONTROVERSIES

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ABSTRACT

This paper reviews the factors which promote the development of the global leader within the multinational organization. In particular, it examines the importance of cultural adaptability. It considers a number of approaches to selection, management development, and organizational structure. A model is suggested for analyzing the development of the global leader, including a number of general propositions.

Home is where one starts from. As we grow older  
The world becomes stranger, the pattern more complicated  
Of dead and living. Not the intense moment  
Isolated, with no before and after  
But a lifetime burning in every moment  
And not the lifetime of one man only  
But of old stones that cannot be deciphered

T.S. Eliot - Four Quartets

#### INTRODUCTION

The globalization of business is increasing at a phenomenal rate, accelerated by a breakdown of some of the barriers to international trade --e.g., Europe 1992, China, or the Canada-US trade agreements. As companies seek to internationalize their operations, they run into a number of blockages. Many of these blockages have their roots in cultural differences -- the way in which over time people have chosen to work and live.

It is not surprising that the more international a company gets,

the more it becomes aware of the prevalence of cultural differences. These differences appear at every level of the organization, from attitudes toward work, authority, responsibility, and decision making to such mundane matters as office layout, perks, and even ways of greeting colleagues. Obviously, it can be argued that the person who is culturally empathic and adaptable will be of great value to the organization. In this process of rapid transformation and globalization leadership becomes a key factor. This raises the question of whether a new kind of leader, a "global" one, will be needed -- a person who will play the role of catalyst and is sensitive to cultural diversity demonstrating the ability to function effectively in different cultural environments.

What should leaders be prepared for when operating in different cultures? What is it about culture which makes their task so perplexing? And what can be said about culture itself?

One of the earliest and probably most famous definitions of culture was proposed by the anthropologist Edward Tylor in the opening lines of his book Primitive Culture (1871). He suggested that "...culture ... is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society"(p.1).

Although Tylor was very specific in listing the various behavioral forms culture can take, it has remained very elusive as a concept. Many facets of culture are imperceptible and intangible, escaping even those individuals who are part of that culture. This is largely because many aspects of culture are taken for granted -- an attitude which becomes understandable if we define culture as the totality of learned ways of believing and behaving. As such, it becomes an ever present force that unconsciously (even more than consciously) will affect any situation of leadership and organization.

In studying the question of global leadership, we touch upon the problematic area of the interaction of corporate and national cultures and, inevitably, the issue of cultural adaptiveness. A number of companies have experimented with these issues from which we can learn. A good illustration of a company dealing with these questions is Schlumberger, a successful international organization in the oilfield-service industry operating in ninety-two countries. What first stands out in studying Schlumberger is the importance placed on research and technology. This aspect is very a much a part of the corporate culture and people wanting to work for this quiet giant are expected to subscribe to its orientation. But although the company is very technology-driven, there are other values which have to be taken into consideration. The late Jean Riboud, former CEO of Schlumberger, touched upon them when describing the company's

"spirit" during his reign:

1) We are an exceptional crucible of many nations, of many cultures, of many visions; 2) We are a totally decentralized organization...; 3) We are a service company, at the service of our customers, having a faster response than anybody else; 4) We believe in the profit process as a challenge, as a game, as a sport; 5) We believe in a certain arrogance; the certainty that we are going to win because we are the best -- arrogance only tolerable because it is coupled with a great sense of intellectual humility, the fear of being wrong, the fear of not working hard enough (Auletta, 1984,p.160).

Obviously, life at Schlumberger is different from that at many organizations. A supervisor of a rig in Ireland can receive a phone call at noon on Friday saying to close down operations there by 5 o'clock and to report for work in Northern Thailand at 8 o'clock Sunday morning. Upon arrival at the airport in Bangkok he will find a jeep and the name of a place he is to go to a day's drive away; no map, no instructions.

Although Jean Riboud when describing his company at the time did not explicitly talk about the making of a global leader, certain subtle mechanisms having to do with selection and the creation of the right organizational ambiance are at work at Schlumberger to make its people so successful. Not only do Schlumberger people

fit a certain profile, but there are other factors which also play an important role. Headquarters at Schlumberger are very small. Although strategic direction is largely determined at headquarters the company has a strong regional structure. A great deal of operational autonomy is given to the people in the field. "Space" is given for each national culture. Career progression does not depend on time spent at the head office. At each location the management team is made up of five or six different nationalities, so that there is not one dominant national culture but rather a group of people from different cultures who share a set of common values. And this corporate culture becomes a major lever in assuring coordination among the many different units of the organization.

Schlumberger is only one among many companies which are dealing successfully with the increasing internationalization of business. We propose that leaders who are able to foster this process will make somewhat of a difference. The extent to which its leadership has to be culturally adaptive, if an organization operates in multiple cultures, is not yet completely clear. We assume, however, that such a quality will be an asset. Having made this assumption, it is the objective of this paper to take a closer look at the question of what factors foster global leadership and to what extent culture plays a role. For reasons of brevity the adjective "global" will stand central. It goes beyond the scope of this paper, however, to review the various qualities

needed for effective leadership. This question has been dealt with appropriately elsewhere. (Bass, 1981, 1985; Bennis & Nanus, 1985; Devannah & Tichy, 1986; Leavitt, 1986; Kets de Vries, 1989). Of course, that does not mean that these qualities should not be taken into consideration when making propositions about global leadership. In this paper however, four questions will be addressed: How do companies choose people to be future global leaders, and how can they can be sure that those chosen will be culturally adaptable and operate competently in an international environment? What kind of management development and training enhances cultural empathy and adaptability? In what organizational context does global leadership thrive? And, finally, what can be said about career path management and repatriation? These questions will not only form the basis for a model for analyzing the making of the global leader but also make for a number of propositions about such leadership. Such a model and such propositions may be useful in assisting multinational corporations to plan for future leadership.

## THE SELECTION PROCESS

### Personal Characteristics

For many companies, technical competence is the primary criterion for choosing someone to work abroad (Harvey, 1985; Zeira & Banai, 1984; Mendenhall & Oddou, 1985, 1986; Mendenhall, Dunbar & Oddou,

1987; Tung, 1981, 1982). If a manager in the home country has done a good job, the assumption is that he or she will automatically be able to repeat his or her successful performance in another country. This happens particularly in cases where people are being sent to oversee the setting up of a plant, the establishment of an oil rig, or the expansion of a factory. There may be little preparation for variations in cultural approaches, since the work is perceived as mainly technical. After all, a manager is supposed to be someone who has the confidence to sort out any problems that deviate from normal working procedures. If something goes wrong, he or she should be able to "fix" it.

It cannot be denied that technical skills are necessary, but they are not sufficient. However, it is more difficult to assess personal qualities and attitudes which can make of an assignment a success or a failure. For a company, the cost of failure can be very high. Estimates range between \$50,000 - \$250,000 (Mendenhall, Dunbar & Oddou, 1987), not to mention the loss of prestige and business due to poor management or the personal costs of failing for the individual and family involved.

Researchers interested in the question of what personal qualities are likely to be found in someone who is culturally adaptable propose such characteristics as open-mindedness, self-confidence, ability to deal with ambiguity, ability to relate to people, and curiosity. In looking at top management potential, an

international company such as Shell narrowed twenty-eight qualities down to the following: helicopter view, imagination, power of analysis, and sense of reality (Muller, 1970). These qualities listed by Shell and others, however, do not seem to be that much different of what is generally required from effective managers. Gunnar Hedlund (1986), interestingly enough taking the Jesuit order as an ideal model for an international organization, is more specific and suggests six essential qualities needed for effective functioning in an international context: an aptitude for searching and for combining things in new ways; the ability to communicate ideas and turn them into action; the command of several languages, as well as knowledge of and sympathy for several cultures, in order to provide "...'a stereo quality' to perception and interpretation (p.31);" honesty and integrity; the willingness to take risks and experiment; and faith in the organization and its activities.

In addition, there are a number of values or assumptions that indicate cultural adaptability and empathy. The most obvious, perhaps, is the understanding that every culture has developed its own way of managing and that one (my) country's way is not necessarily superior. Another is that cross-cultural learning is enriching. Yet, another may be the feeling that home is where I am, rather than where I come from. The understanding of where one's roots are, whether in oneself, one's family, or the country of birth, can also affect how easily people move from culture to

culture.

### Selection Criteria

Expanding on the personal qualities needed for cultural adaptability, researchers have developed lists of criteria considered to be important in the selection of international managers. Among them, Michael Harvey (1985) has made probably one of the more heroic efforts. He suggests thirty characteristics including mental flexibility, stability of marriage, social and cross-cultural exposure, and physical and emotional stamina which are each weighted according to country and type of job. That the search for selection criteria is a matter that warrants attention is supported by a number of surveys proving that the greater the consideration paid during the selection process to adaptability and ability to communicate, the higher the success rate in the assignment (Tung, 1981). We can question, however, if these selection criteria are specifically applicable to managers on international assignments. Some of the factors as for example interpersonal skills will probably increase effectiveness whatever the context may be.

Zeira and Banai (1984) argue that the criteria for selection are often developed in a vacuum. The ideas of the host country nationals, the people who are to work with the expatriate manager, are rarely sought at the selection stage. Zeira and Banai suggest

that the better the fit between the stakeholders' expectations and the expatriate manager's behavior, the lesser the inter-role conflict.

### Early Socialization

With respect to the availability of people who demonstrate these qualities, it can be said that there are a growing number of individuals rooted in more than one culture. It can be argued that children of parents of different nationalities who have changed countries several times when young probably have a very different sense of belonging in any one culture compared with those who were born and grew up in the same place. If the former grow up bilingual, their sense of perception is likely to be much wider than those who grow up with only one language. Growing up with different languages provides the kind of stereo quality to perception mentioned above.

Of course, it is not necessary to live in more than one country to develop these abilities. A child living in a village in Kerala (India) speaking Malayalam at home, learning Hindi and English at school, and observing the different lifestyles of people from different religious backgrounds has already had an intensive course in cultural adaptability. Or a child who grows up in one of the neighborhoods of Chicago, where the local high school has children with fifty-seven different mother tongues, has direct

experience of a multicultural world. And children growing up in Europe with all its different television and radio channels and easy crossing of borders will be exposed to many different cultures from early on. Given the impact of early socialization to adult development the proposition can be made that early exposure is a determining factor in how successful the individual will be in dealing with cultural adaptability later in life.

It is rare that a company has access to the ideal candidate at the time an international position becomes available. The question of management training for cultural empathy therefore becomes critical. Of course, for management training to be really effective, it helps, as we have said, if the individual has acquired earlier in life a certain amount of responsiveness to cultural differences.

#### THE QUESTION OF MANAGEMENT DEVELOPMENT

Surprisingly little is done in the form of management development to prepare people for international assignments. The exception is the kind of training you can find at the very few truly international business schools such as INSEAD or IMEDE. As far as company training is concerned, according to Tung (1981, 1982), only 32 percent of U.S. multinational enterprises provide training for international assignments. The European and Japanese companies surveyed along the same lines reported higher rates of

training: 69 percent among the European companies and 57 percent among the Japanese.

The reasons given for not providing training were the use of local nationals to fill the positions, the temporary nature of the assignment, doubts as to the effectiveness of training, and lack of time. Most of the training that is carried out is based on cognitive approaches: language training and information about the country, culture, and style of living. In some cases, affective training is also undertaken to prepare people for situations they may encounter, using case studies and role playing. It seems, however, that most training programs focus on the development of analytical skills and neglect less quantifiable intuitive processes. Stimulating one's sense of cultural empathy falls within these far less tangible processes. The enhancement of right hemisphere capabilities (e.g. judgment, intuition, "gut feeling") does not fit smoothly in the left hemisphere, more logical business environment.

### Experiential Training

The difficulty with training for the attitudes and relational qualities which indicate cultural empathy is that they are properties acquired primarily through experience. In a report on training parent country professionals in host country organizations, Zeira and Pazy (1983) suggest a combination of both

on-the-job and off-the-job training. Using Lewin's theory of effective change processes, they argue that learning, in essence a process of change, requires a period of "unfreezing": the loosening of habitual structures of thought and behavior and the opening up of new ones. Off-the-job training, particularly in another country, provides an occasion for the loosening up. At the end of the learning process, the opposite procedure is required -- the refreezing, or building of the new structure and linking it to behavior already used. This process takes place best in on-the-job training. What this suggests in terms of how international managers are trained is that the training occurs during the international assignment. Whatever training is done prior to departure is most effective when it is geared toward making an individual ready to be open to change and to learning in a new environment.

We can question, however, this rather simplistic even mechanistic way of looking at the process of change. As clinical work has shown, basic values, beliefs and attitudes do not change overnight. On the contrary, change requires a lengthy process of "working through," of overcoming resistances and changing one's inner representational world. (Kets de Vries & Miller, 1984). It can be argued, however, that some of these programs -- if the right parameters are used -- can be instrumental in setting a change process into motion. Afterwards the success in reshaping one's internal representational world and the acceptance of a new

reality very much depends on a further sustained effort by the individual.

A number of international companies follow a policy of a number of years abroad followed by a number of years at headquarters for their international managers (e.g., Philips, Shell, IBM, Proctor & Gamble, Rhone-Poulenc). This pattern serves a number of purposes: it creates a more consistent corporate culture than in the cases where people remain in only one country or one region; and it provides headquarters with international experience.

Zeira and Pazy (1983) report on an approach to managerial development that they found successful in providing a high level of professional development as well as cross-cultural exposure. Their study involved groups of engineers in the aircraft industry being sent by their parent organization to work for 12-18 months for a host country organization. Zeira and Pazy believe the training is more effective because it takes place within another culture, as well as within a practical work environment. The host organization benefits from the cross-cultural experience, as its managers learn to work with people from other cultures.

### The Reaction of the Family

A critical element in the success of expatriate managers is the experience of their spouses and children (Bartolomé and Evans, 1980). The most frequent reason for a manager failing to complete an assignment in another country is the negative reaction of his or her spouse. A manager from Rhone-Poulenc who had worked in Indonesia and Brazil estimated that wives were responsible for 80 percent of early returns. Research done by Harvey(1985), Tung (1981) and Mendenhall, Dunbar, and Oddou (1987) supports the fact that family circumstances account for expatriate failure in the majority of cases. Despite this, only approximately 50 percent of American companies interview spouses during the selection procedure, and a far smaller percentage are included in training programs. Although we realize that the role of the spouse is only one factor among many others, not recognizing it can be a costly omission for both the company and the family.

A supportive spouse and family, particularly in a situation where the executive may find himself or herself cut off from other relationships, may be the essential factor in enabling the cultural adjustments to be made. Furthermore, marrying into another culture provides a person with intensive long-term experiential training in cultural empathy and diversity.

## FORMS OF INTERNATIONAL ORGANIZATION

Management training leads to the question of what kind of international organization best promotes cultural empathy and adaptability, attracting potential global leaders. Obviously, it would be foolish to suggest that there is an ideal type of structure, suitable for all organizations and cultures. There are numerous kinds of multinational enterprises, international joint ventures, parent-subsidiary relationships across national borders, and other forms of alliances. Different types of organizational structures have developed from very different beginnings. However, there are certain structural factors which can enable an organization to make use of its international advantages.

André Laurent (1986), referring in particular to human resource management, suggests that certain ways of looking at things would promote a truly international organization. They should be kept in mind in searching for corporate cultures which will foster the development of global leadership:

Explicit recognition by headquarters that its own ways of managing human resources reflect assumptions and values of its own culture;

That these ways are neither universally better nor worse than others, they are different, and they are likely to exhibit

strengths and weaknesses when applied abroad;

An explicit recognition by headquarters that its foreign subsidiaries may have other preferred ways of managing people that are neither intrinsically better nor worse, but could possibly be more effective locally;

A willingness on the part of headquarters to acknowledge cultural differences and take active steps to make them open to discussion and therefore usable;

The building of a genuine belief by all parties that more creative and effective ways of managing people can be developed as a result of cross-cultural learning (p.100).

A sine qua non for this way of looking at things is that, the global leader needs a certain awareness of his or her own cultural outlook, a prerequisite to the appreciation and development of insight into other cultures.

### Concepts of Multinationalism

With the purpose of designing a conducive corporate environment, Howard Perlmutter (1969) goes beyond basic beliefs and attitudes and introduces a number of conceptualizations useful for understanding the multinational corporation. Using ideal-type

configurations, he proposes four orientations for multinationals: ethnocentric, polycentric, regiocentric, and geocentric. In the case of an ethnocentric orientation key positions are occupied by home country nationals. Foreign subsidiaries take on a subservient position. In polycentric companies, the foreign subsidiaries are run by local nationals and have a great deal of autonomy as long as there are results. The Head Office takes a more "hands off" position. The regiocentric orientation differs in that the action takes place in various regional headquarters. The connotation of countries is replaced by that of geographical regions such as Europe, Africa, North America. Management development is for regional positions. Finally, in the case of the geocentric orientation, a complex network of interdependencies exists between headquarters and subsidiaries. Organizational identity is determined both by local and more universal factors. Management development of persons showing high potential for leadership positions can take place anywhere in the world (Heenan & Perlmutter, 1979).

Gunnar Hedlund (1986) further develops conceptually the evolution from ethnocentrism via polycentrism to geocentrism. He mentions that one of the signs of geocentricity is the use of third country nationals in management. Other aspects are reliance on global profitability goals and increased rotation of personnel. A recentralization of authority at headquarters often accompanies the shift to geocentrism to allow for more centralized strategy

making in response to global competition. Interdependence is reciprocal; products, know-how, money and people flow in complex patterns, not from the core to the periphery as in the ethnocentric firm.

One of the theories Hedlund reports on concerning geocentrism and globality is that we are witnessing the disappearance of the international dimension of business. The radical view that, "...For commercial and practical purposes, the nations do not exist, and the relevant business arena becomes something like a big unified home market..."(1986,p.18) is discounted by Hedlund for a number of reasons. He comments on the strong differences which continue to exist between nations and regions and notes that the primary loyalty of many employees is still to their home country, which counterbalances the proclaimed increased homogenization of demand. He argues that cultural differences in management style mean that uniform, worldwide control systems are unlikely to be viable. Moreover, the size of the organization may prohibit effective and speedy global coordination. Most firms do not have enough managers able to create and carry out ambitious global strategies. The development of specialization of subsidiaries can become so important that it would be detrimental to assign narrow strategic roles to them and wasteful not to use the creativity and entrepreneurship of people at all nodes of the network. Finally, centrally guided global product strategies looking at the world as one market may lead to neglect of

opportunities to exploit existing differences between nations.

These limits to the "mononational" version of geocentrism illustrate the danger of seeing geocentricity as the scaling up of the national corporation and the reestablishing of a central strategic management at the apex of one big, global hierarchy. A special case of geocentrism, distinguished by its heterarchical nature, is what Hedlund believes to be the way in which international companies should move. In reading the previously listed and subsequently made assertions, we should keep in mind, however, that only limited empirical support exists for these ideas.

#### The "New" Multinational Corporation

Fundamental to the heterarchical MNC is the idea of structure determining strategy, in the sense that the MNC first identifies its structural properties and then looks for strategic options following on from these properties.

Several points distinguish human resource management of a heterarchical MNC. As a consequence of breaking up a large hierarchy into multiple organizational structures, it is no longer possible to promote people by giving them jobs higher up. Movement between centers is more common, especially as it builds up the "nervous system" of the heterarchy.

The core of the enterprise consists of people with long experience in it. The employees constitute the communication network of the firm, and as such they are a strategic resource. More all-encompassing and long-term contracts are to be expected, as is participation in the ownership of the company. There will probably be duality in the career system: a limited core of life-time employees and a much larger number of people with briefer association with the firm, combining both stability and flexibility. In its ideal form, the core provides the memory and information structure, and the looser links help to prevent rigidity by establishing channels for new ideas. Different reward and punishment systems are necessary to deal with negative feedback and to encourage the long-term investment of individuals in the company.

A great deal of rotation of personnel and international travel are necessary in order for the internalization of norms to take place. Recruitment to the core should include willingness to travel and to change function in the company as basic criteria.

A broad range of people in the firm must develop the capacity for strategic thinking and action. This can be done by open communication of strategies and plans, decentralization of strategic tasks, active use of task forces on strategic issues, and providing early opportunities for developing management

capabilities.

This whole discussion of the heterarchical MNC is obviously based on an abstract ideal, although elements of all the points can be found to be working in organizations today. Presently, a close observer of organizational forms will notice in them a trend toward "flatter" structures with less emphasis on hierarchy, greater lateral communication, complex networking systems, and loosely coupled, interdependent organizational units with innovative human resource management practices. We notice an increasing number of companies where there is a strategic culture, where strategic thinking is a permanent activity and permeates all levels of the organization. A good example of a development in this direction is Proctor & Gamble's Eurobrand teams (Bartlett & Ghoshal, 1986, 1987a, 1987b), where different national subsidiaries are given the role of developing product-market strategies for the region based on the work of a cooperative team of managers across these subsidiaries. Some organizations have established "centers of excellence" concerning such functions as R&D and manufacturing in line with the cultures most favorable to these functions. Many global companies are beginning to think along similar lines of culture-task compatibility.

Most international organizations use some form of periodic assignment to headquarters for international managers, as well as rotation of assignments within regions. In addition, most

organizations seem to have several levels of managers: those who operate only within their own country, those who are assignable within their region, and those who are assignable globally. The more ethnocentric a company is, however, the more this last category tends to be made up of parent country nationals.

#### THE ISSUE OF CAREER PATH MANAGEMENT AND REPATRIATION

Not only are there issues in taking up a new assignment in another country, there are also the problems of re-entry. Many executives dread a stay at headquarters after an assignment at a subsidiary. For example, an executive from Rhone-Poulenc felt that his job on return was boring and routine and that his decision-making power had been taken away from him. But he also realized that re-entry was essential to keep his personal network at headquarters alive and to stop people in general from "going native". The question of what kind of job someone returns to is problematic for the individual and the organization. From the individual's perspective, he or she has probably grown used to a good deal of freedom which he or she will not find in the more bureaucratic set-up at the head office. The lifestyle may not be as glamorous, the fringe benefits not as interesting, and the tax burden quite different. He or she may still be at the same level as colleagues who did not venture abroad and feel that his or her initiative in doing so has not been duly rewarded. Moreover, he or she may find there are few possibilities to use what was learned abroad, and

that the headquarters' staff is apparently uninterested in the way things really are.

The basic results of a number of investigations are not very conclusive (Mendenhall, Dunbar & Oddou, 1987). There seems to be no clear relationship between expatriation and career advancement. In most cases, an international assignment is initially seen as a step up a career ladder. On return, expatriate managers may or may not feel that they have reached a higher position in the company. For example, if the communications within the company are poor and they have remained isolated from a number of strategic decisions, they may have lost whatever position and influence they had in the company prior to their international assignments.

Similarly, unless they have made sure that headquarters knows of their successes while they were away, their work may go unrecognized and they may lose opportunities for promotion. Given the state of international communication systems, extreme degrees of isolation probably only exist in theory. The feeling of isolation, however, is a very real one for people returning to an organization after a gap of some years. With increasing executive mobility, they may no longer know the top level of management personally. The environment at headquarters will probably have changed. They as individuals have been changed by their experiences in another culture (Adler, 1986). The "fit" may be

quite different.

### Facilitating Return

Suggestions for improving the return of expatriates include a succession plan developed with the expatriate manager prior to departure, which would include length of stay, projected responsibilities while abroad, systematic management reviews, and subsequent job position on repatriation. Another mechanism is to set up a corporate manpower center to track and coordinate the activities of managers showing high potential with the center's director reporting directly to the CEO to indicate the importance of its mandate (e.g., Philips). The firm could also organize a support network, involving communication through travel and company newsletters. Six months prior to departure, internal job searches could be initiated on behalf of the expatriate. Some companies (i.e. many Japanese ones) have also institutionalized a mentoring relationship which becomes a source of additional support.

The training and development needs of expatriate managers should not be ignored. Some firms rotate the location where training happens within a particular region according to the place which has shown excellence. In this way, local managers who may never go to headquarters also develop personal contacts with international managers and headquarters.

Part of the difficulty with career pathing in international assignments has to do with the barrier between host country managers and parent country managers. In many cases, top management positions are always held by parent country managers, and further career advancement is blocked for the host country manager. The ability to speak the language of the parent country often seems to be one of the key hurdles. To open top executive ranks to other nationals is frequently the last to be given up (Zeira & Pazy, 1983), perhaps because there is still too large a culture gap (childhood socialization being stronger than corporate socialization). If it is given up, it is usually done by assigning managers to a third country, neither their own nor the parent country.

#### A FRAMEWORK FOR ANALYZING THE DEVELOPMENT OF THE GLOBAL LEADER

We have now come full circle in describing the various factors which contribute to the making of the global leader. The diagram we put forward (see exhibit 1) shows in an oversimplified way the relationship among the different forces which make for global leadership. Exhibit 2 shows the contributing factors. We postulate that there are three spheres of influence on the development of the global leader. The strongest influences on both leadership qualities and the ability to adapt culturally stem from childhood development. Both of these aspects can be further

enhanced by early managerial responsibilities, international work, and educational experiences. Finally, the organizational structure provides a framework for using the global leadership qualities which exist and encouraging their further development.

EXHIBIT 1  
A MODEL FOR ANALYSING THE SPHERES OF INFLUENCE  
ON THE MAKING OF A GLOBAL LEADER

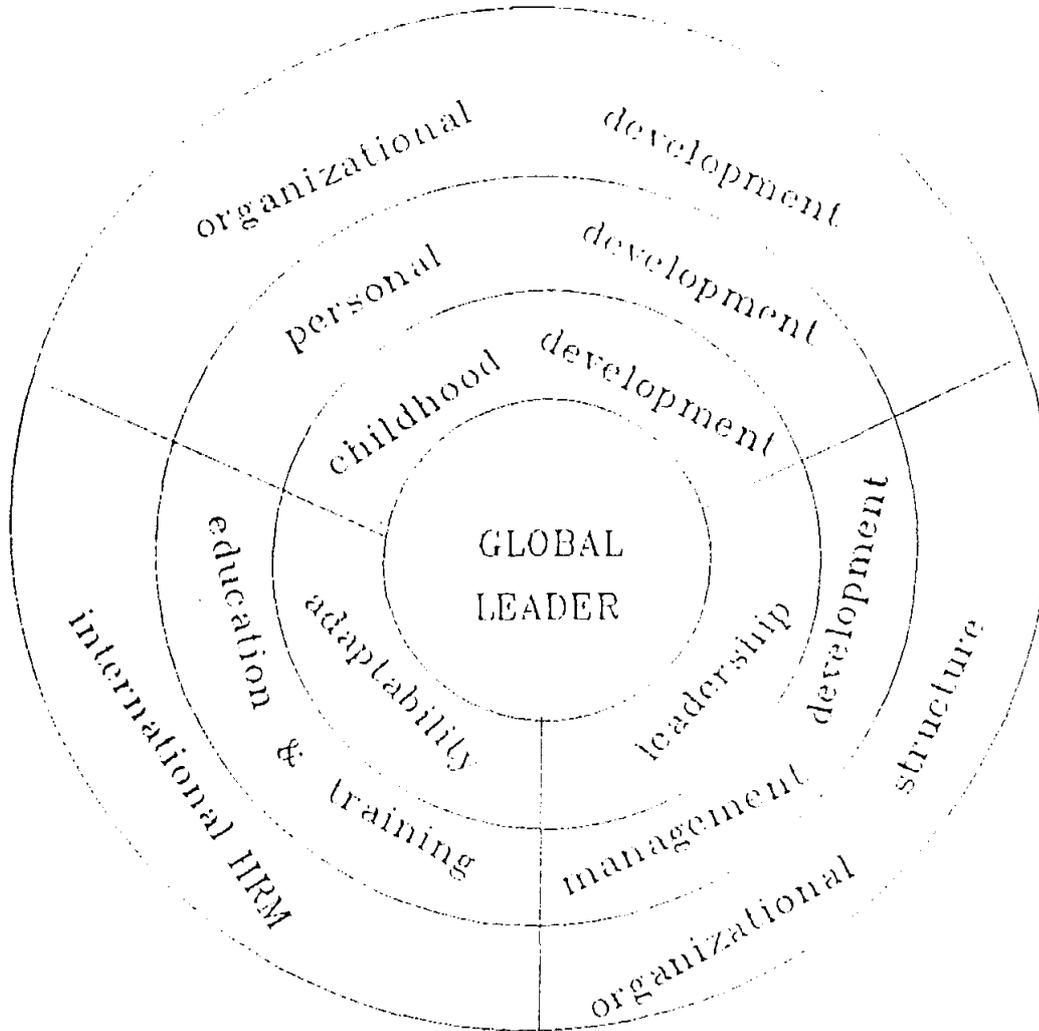


EXHIBIT 2

FACTORS CONTRIBUTING TO THE DEVELOPMENT OF THE GLOBAL LEADER

CHILDHOOD DEVELOPMENT

PROFESSIONAL DEVELOPMENT

ORGANIZATIONAL DEV'T

ADAPTABILITY  
FACTORS:

- \*cultural diversity in family
- \*early international experience
- \*bilingualism
- \*multiple roots
- \*some "as if" qualities

LEADERSHIP  
FACTORS:

- \*self-confidence
- \*responsibility
- \*curiosity
- \*imagination
- \*communication skills
- \*"core values"
- \*career goals & expectations

TRAINING &  
EDUCATION:

- \*analytical skills
- \*professional skills
- \*study in other culture
- \*study in international environment
- \*languages

MANAGEMENT  
DEVELOPMENT:

- \*early responsibility
- \*variety of tasks
- \*early international experience

PERSONAL  
DEVELOPMENT:

- \*supportive spouse
- \*adaptable spouse
- \*"movable" children
- \*variety of interests

ORGANIZATIONAL  
STRUCTURE:

- \*geocentric
- \*use of 3rd country nationals
- \*flat
- \*heterarchic
- \*multicultural

INTERNATIONAL  
HUMAN RESOURCE  
MANAGEMENT:

- \*career pathing
- \*re-entry management
- \*selection criteria
- \*communications

P	O
E	R
R	G
S	A
O	N
N	I
A	Z
L	A
I	T
T	I
Y	O
S	N
C	A
R	L
E	S
E	C
N	R
	E
	E
	N

Keeping this diagram and the previous discussion of the factors which promote the development of the global leader in mind the following general propositions can be made:

P1: Cultural empathy and adaptability will be key factors for effective functioning in different foreign environments.

P2: Cultural empathy and adaptability are strongly influenced by the degree of cultural diversity within the family and cultural exposure.

P3: The existence of leadership qualities is very much dependent upon upbringing and early career challenges.

P4: To develop global leadership qualities necessitates challenging foreign assignments from the early career stages onward, given the presence of leadership potential, cultural empathy and adaptability.

P5: A favorable organizational environment -- that is, the existence of a corporate culture conducive to foreign assignments and the inclusion of certain human resource management practices (i.e., career path management, mentoring, re-entry management) -- will enhance global leadership development.

P6: An organizational culture which is multicultural, both because

it is different in each country and because each location (particularly headquarters) has a variety of nationalities and cultures present, will create a learning environment for global leadership.

P7: The ability of spouse and children to be both culturally empathic and supportive of "global" lifestyles will influence the development of further global leadership qualities.

#### FURTHER REFLECTIONS

There is a paradoxical quality about being a global leader. On the one hand it appears that the personality should have "as if" characteristics (Deutsch, 1942). We are referring to those people able to conduct themselves in a chameleonlike way, individuals who have a plastic readiness to pick up signals from the external world and mold themselves and their behavior accordingly. These are the people who easily adapt to whatever culture they find themselves in. Unfortunately, in the case of the true "as if" personality, the advantage of adaptability is usually counterbalanced by a shallowness in relationships, an absence of genuine feelings, and a lack of a strong sense of identity, making for transient identifications and kaleidoscopic shifts in behavior.

On the other hand, truly global leaders need a set of core values which will guide them and provide support in whatever environment they may find themselves. The challenge becomes combining qualities which make for a resilient self with those of plasticity. This does not have to be a contradiction. To "go native" is not necessarily the answer. Staying aloof from the host culture where executives may find themselves in is not a solution either. A middle range position has to be found. Only those who lack a strong set of inner values may feel endangered and act defensively, resisting the benefits of cultural exposure. Individuals with a cohesive sense of self and a set of core values who can allow themselves to "regress in service of the ego" without becoming anxious about being swept away into the unknown if they adopt aspects of another culture. These individuals will recognize the potential for creative synergy in doing so. They are the ones who will successfully populate the organization of the future, going beyond narrow ethnocentric concerns and making the world truly a "global village".

Apart from the predisposition to become a global leader -- which, as has been indicated, is strongly influenced by early socialization and early exposure to different cultural contexts -- the development of the global leader at a later stage of life is ironically enough very much determined by being a global leader. As we have said, the earlier the experience through assignments of responsibility of different cultures, the greater the ability to

adapt to and empathize with new cultures will be. Preparing managers and their families for life in a different environment is invaluable in giving them the chance to make the necessary changes in their attitudes. And given previous socialization practices, some personalities are more suited than others to working internationally.

Organizations which are aware of cultural differences and seek to exploit them through various forms of interchange are likely to evolve in the direction of a network of loosely coupled units. In contrast, organizations with a dominant parent country style of operating are unlikely to be able to use the full potential of their international personnel, a serious handicap in the increasingly global world we live in.

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