THIRD EDITION

Global Leadership

Research, Practice, and Development

MARK E. MENDENHALL, JOYCE S. OSLAND, ALLAN BIRD, GARY R. ODDOU, MICHAEL J. STEVENS, MARTHA L. MAZNEVSKI, AND GÜNTER K. STAHL

Global Leadership

This text focuses on leading across cultural, economic, social, national, and political boundaries simultaneously. *Global Leadership* presents the field's latest studies and practices in a succinct and engaging style that helps scholars, managers, and students grasp the complexities of being a global leader.

The authors begin by explaining the conceptual differences between general leadership and global leadership before examining the various dimensions of the global leadership field, and how it will develop in the future. Users of previous editions will notice that the book has been restructured into five new parts to provide a better conceptual flow. Other new features include:

- A new chapter on talent management and its relationship to global leadership processes.

- Updates to the chapter on global leadership development, including material on international service learning approaches and other "best practice" examples.

- Significant updates to the chapters on responsible global leadership and leading global teams, accounting for recent advances in both disciplines.

This edition will prove a useful guide for graduate students of global leadership, international business, and general leadership classes as well as scholars and managers seeking a thorough understanding of the field today. PowerPoint slides and a list of suggested cases are available to assist instructors further.

Mark E. Mendenhall holds the J. Burton Frierson Chair of Excellence in Business Leadership in the College of Business Administration at the University of Tennessee, Chattanooga, USA.

Joyce S. Osland is the Lucas Endowed Professor of Global Leadership and the Executive Director of the Global Leadership Advancement Center in the School of Global Innovation and Leadership in the Lucas College and Graduate School of Business at San José State University, USA.

Allan Bird is the Darla and Frederick Brodsky Trustee Professor in Global Business in the D'Amore-McKim School of Business, at Northeastern University, USA.

Gary R. Oddou is Professor Emeritus and former Director of the Global Business Management Program at California State University, San Marcos, USA.

Michael J. Stevens is Department Chair and Brady Presidential Distinguished Professor of Management at Weber State University, USA.

Martha L. Maznevski is Professor of Organizational Behavior and Faculty Director for Executive Education at Ivey Business School at Western University, Canada.

Günter K. Stahl is the Chair and Professor of International Management at Vienna University of Economics and Business, Austria.

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"This new edition of *Global Leadership* is a must-read for professionals and students who are interested in keeping abreast of how to lead in the global context. Authored by some of the field's top scholars, the book is far ranging in its treatment, and includes the latest thinking on global leadership trends and best practices."

Allen Morrison, *Thunderbird School of Global Management, Arizona State University, USA*

"This book provides a comprehensive review and integration of existing research in the field of global leadership, as well as showing the implications of this research for creating global leaders in all types of organizations. Importantly, the authors also propose a new global leadership typology that provides a path forward to understand better this complex and increasingly important domain of research and practice."

Schon Beechler, *INSEAD, France*

"In an age crying out for responsible global leaders, we business school educators bear a critical role in their development. For the last 30+ years I have watched with great pride the rigorous and committed scholarship of Mendenhall, Osland, and their colleagues as they have worked meticulously to define global leadership and explain how to develop it. All of us working to train the leaders of tomorrow are forever in their debt."

Nakiye A. Boyacigiller, *Sabancý University, Turkey*

Global Leadership

Research, Practice, and Development

Third edition

Edited by Mark E. Mendenhall, Joyce S. Osland, Allan Bird, Gary R. Oddou, Michael J. Stevens, Martha L. Maznevski, and Günter K. Stahl

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The late Professor Michael Poole was one of the founding series editors, and Professors Schuler, Jackson, and Sparrow wish to dedicate the series to his memory.

Contents

Figures and Tables

Figures

Tables

Preface

MARK E. MENDENHALL, JOYCE S. OSLAND, ALLAN BIRD, GARY R. ODDOU, MARTHA L. MAZNEVSKI, MICHAEL J. STEVENS, AND GüNTER K. STAHL

We begin this new edition of *Global Leadership: Research, Practice, and Development* with the same quotation from C.K. Prahalad that we used to introduce our 2013 edition. In 1990, he presciently wrote that future leaders would work in

> ... a world where variety, complex interaction patterns among various subunits, host governments, and customers, pressures for change and stability, and the need to re-assert individual identity in a complex web of organizational relationships are the norm. This world is one beset with ambiguity and stress. Facts, emotions, anxieties, power and dependence, competition and collaboration, individual and team efforts are all present ... Managers have to deal with these often conflicting demands simultaneously.
>
> (p. 30)

The reality that C.K. Prahalad foresaw has long since arrived—globalization and its demands has shifted the skill set necessary to lead in the 21st century, and organizations are in desperate need of finding executives with the right mix of skills, but they are rare and difficult to find (Maznevski, Stahl, & Mendenhall, 2013). But what are the skills that global leaders should possess in order to be successful, and what exactly is global leadership? Companies are grappling with these issues, and social scientists are hurriedly working to produce empirically sound insights to guide the selection, training, and ongoing development of global leaders.

The combined factors of the leadership demands of globalization on firms, firms' responses to those demands, and social scientists' efforts to investigate global leadership spawned a sub-field in international management and international human resource management: global leadership (Bird & Mendenhall, 2016). This field came into existence in the mid-1980s and took hold firmly in the 1990s, and today, numerous scholars are actively investigating the dimensions of global leadership (Mendenhall, Li, & Osland, 2016). Our hope is that this book will enable students, practitioners, and scholars to have ready access to the seminal knowledge of the field and will aid in the systematic investigation of global leadership in the future. This third edition includes new studies and practices that have emerged since the publication of the second edition in 2013. We plan to continue to revise the book every four years so that each new edition can serve as a valuable resource to scholars and managers who desire to gain an in-depth understanding of what is known in the field at the current time.

Each chapter from the second edition has been updated to reflect research that has been published since 2013. As we reviewed the literature, we have found numerous studies that were published before 2013 as well of which we were heretofore unaware; thus, we have cited much of this research in this edition. We also have included a new chapter in this edition on global talent management and its relationship to global leadership processes. We have kept the chapters from the previous edition and updated them, but decided to reorder their sequence in this edition to provide a better conceptual flow to the book. Chapter 1, "Leadership and the Birth of Global Leadership," traces the heritage of leadership scholarship from which the field of global leadership was built. It is important to review the roots of global leadership because the field of global leadership has inherited some of the same challenges that exist in the general field of leadership as well. Chapter 1 also explains why global leadership is conceptually different from general leadership and provides a definitional framework for the rest of the book.

In Chapter 2, "The Multidisciplinary Roots of Global Leadership," Joyce Osland emphasizes that in addition to

the general field of leadership the field of global leadership also "owes a debt of gratitude to other fields of study that focus on bridging cultures, communicating and being effective across cultures, working overseas, and managing and leading people from other nations." The contributions of the fields of intercultural communication competence, expatriation, global management, and comparative leadership upon the global leadership literature are reviewed in this chapter. In Chapter 3, she then discusses and reviews the primary studies and models of global leadership that currently exist in the field.

In Chapter 4 Allan Bird integrates the current research on global leadership competencies and provides a framework to map the global competency content domain, and in Chapter 5 he, along with coauthor Michael Stevens, reviews the assessment tools and methods that scholars have used to measure global leadership competencies. Current tools that are used are reviewed, as well as other assessment tools that exist and could be applied fruitfully to the study of global leadership competencies. Because some scholars have approached the conceptualization of global leadership from a process rather than a content model-building perspective, Joyce Osland and Allan Bird review the extant process models of global leadership development in Chapter 6.

Chapter 7, "The Emerging Field of Global Talent Management and Its Implications for Global Leadership Development" is a new chapter in this edition (written by Ibraiz Tarique and Ellen Weisbord) and provides an overview of the field of global talent management followed by a discussion of the implications of this field for research and practice in global leadership, and provides context for how global leaders are developed, which is the topic addressed in Chapter 8. In Chapter 8, Gary Oddou and Mark Mendenhall broach the critical human resource management issue of how to best go about training and developing global leaders. "Best practice" global leadership development practices are reviewed and critiqued, followed by a discussion of the implications of research findings for the design of global leadership development programs.

Next, in Chapter 9, Martha Maznevski and Celia Chui delineate principles derived from empirical research that are critical to successfully leading global teams while in Chapter 10, Allan Bird and Gary Oddou address the outcomes of global leadership development: the role of global leaders in knowledge creation and knowledge transfer. In this chapter, the concept that global leaders act as repositories of knowledge, and thus become key components of a firm's human capital, is delineated.

By all accounts in the general leadership literature, one important aspect of leadership is to initiate change, and thus, a key function of global leaders is to lead global change efforts. In Chapter 11, Joyce Osland discusses the universal aspects of managing change as well as the factors that seem particularly important in global change efforts, and since innovation and change go hand in hand, how global leaders can promote and lead innovation is addressed.

Chapter 12 addresses the research stream of responsible global leadership that has gained traction in the field since 2010. Günter Stahl, Nicola Pless, Thomas Maak, and Christof Miska address the ethical/corporate social responsibility dimension of global leadership and emerging research findings related to it. Mark Mendenhall and Sebastian Reiche look to the future of the field in Chapter 13, where they explore its research gaps, and the areas of the field that require more attention from scholars and managers. The chapter focuses on the importance of construct definition and of investigating global leadership roles in future research.

We hope that you enjoy this new edition and find it useful in your work. Please feel free to contact any of the authors with your feedback or queries.

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Acknowledgments

Contributors

Allan Bird

Darla and Frederick Brodsky Trustee Professor in Global Business
Northeastern University

Celia Chui

Postdoctoral Researcher
Université de Lausanne

Thomas Maak

Head, School of Management and Chair in Responsible Leadership
University of South Australia

Martha L. Maznevski

Professor of Organizational Behaviour and Faculty Director for Executive Education
Ivey Business School

Mark E. Mendenhall

J. Burton Frierson Chair of Excellence in Business Leadership
University of Tennessee, Chattanooga

Christof Miska

Assistant Professor
Vienna University of Economics and Business

Gary R. Oddou

Partner
The Kozai Group, LLC

Joyce S. Osland

Lucas Endowed Professor of Global Leadership and Executive Director of the Global Leadership Advancement Center
San José State University

Nicola M. Pless

Professor of Management and Chair of Positive Business
University of South Australia

B. Sebastian Reiche

Associate Professor and Head of Department of Managing People in Organizations
IESE Business School

Günter K. Stahl

Professor of International Management
Vienna University of Economics and Business

Michael J. Stevens

Department Chair and Professor of Human Resource Management
Weber State University

Ibraiz Tarique

Professor of Human Resources and Talent Management and Director of Global HRM Programs
Pace University

Ellen Weisbord

Professor and Academic Director, Executive MBA Program
Pace University

Part I

History of the Field of Global Leadership

Leadership and the Birth of Global Leadership

MARK E. MENDENHALL

> Leadership is one of the most observed and least understood phenomena on earth.
>
> —James MacGregor Burns (1978: 2)

The purpose of this book is to introduce you to research that has focused on leaders and leadership in the context of global business and globalization. The field of global leadership has burgeoned since its inception in the late 1980s and early 1990s (Mendenhall, Li, & Osland, 2016). However, before a proper introduction to the field of global leadership can be undertaken, it will first be necessary to review the field from which the discipline of global leadership evolved: leadership.

It was not until the beginning of the 20th century, when scholars began applying the scientific method to social processes, that the study of leadership became widespread both in academe and in the business world (Yukl, 2013: 18). Before this time period, leadership had been studied mostly via historical analysis, within military studies, and through biography (Bass, 1990; Yukl, 2013). The vast majority of empirical work in the 1930s to the 1970s was undertaken by North American and British scholars (Bass, 1990), and the context of their study of leadership was primarily domestic in nature; that is, from the early part of the 20th century through the 1970s, the vast majority of social scientific studies of leadership, and concomitant theoretical developments in the field, were firmly housed in Anglo-North American contexts. In the 1980s, European and Japanese social scientists began making contributions to the study of leadership in English language academic journals, which extended the reach of the influence of their findings among scholars globally (Bass, 1990: xiv). By 1990 Bass would note that there were over 7,500 scholarly studies of leadership extant. The output of research studies on leadership in the 21st century has not diminished (Day and Antonakis, 2011: 3).

The empirical findings within the leadership field are complex, paradoxical, intriguing, and at times, problematic. Various scholars have undertaken reviews and categorizations of the plethora of empirical studies that exist in the field. I have chosen to rely on the work of Bass (1990), Day and Antonakis (2011), Rost (1993), and Yukl (2006, 2013) due to the comprehensive nature of their work and the scope of the studies they covered in their analyses of the field.

Approaches to the Study of Leadership

Scholars are not all cut from the same cloth, and thus they embark on the study of leadership from different perspectives and purposes when they ascertain what type of overall research approach they will use in their investigations of leadership. From these differing vantage points of the study of leadership have come varying approaches to the study of the phenomenon. These varying approaches can be categorized in a variety of ways (Day & Antonakis, 2011); however, I will primarily rely on Yukl's categorizations to provide an overview of the field (Yukl, 2013). In his review of the leadership literature domain, he subsumed the complexity of these approaches into five general types: 1) the trait approach; 2) the behavior approach; 3) the power-influence approach; 4) the situational approach; and 5) the integrative approach (Yukl, 2013: 28–29).

The Trait Approach

Early studies of leadership from the 1900s through the 1940s focused primarily on the discovery of key traits that separated leaders from their peers. The assumption was that internal traits, motives, personality characteristics, skills, and values of leaders were critical to leader emergence and would predict who would and would not emerge as leaders (Day & Antonakis, 2011). Numerous studies have been carried out using this approach, and after reviewing their findings, Bass noted that it was "reasonable to conclude that personality traits differentiate leaders from followers, successful from unsuccessful leaders, and high-level from low-level leaders" (1990: 86). The following traits were correlative to leadership emergence and managerial success (Bass, 1990: 87):

strong drive for responsibility and completion of tasks

vigor and persistence in the pursuit of goals

venturesomeness and originality in problem solving

drive to exercise initiative in social situations

self-confidence and a sense of personal identity

willingness to accept the consequences of his or her decisions and actions

readiness to absorb interpersonal stress

willingness to tolerate frustration and delay

ability to influence other people's behavior

capacity to structure social interaction systems to the purpose at hand

While these general findings correlated with leadership behavior, they were insufficient for predictive purposes; in other words, while some traits tended to correlate with leadership, they did not predict leadership behavior strongly enough to make them useful to real-world organizations. For example, an individual may score high in all or most of these traits yet may not wind up emerging as a leader in the workplace or some other social situation. Thus, traits may be necessary but insufficient in and of themselves, for leader emergence and effective leadership. Scholars realized that while traits play a role in leadership, other variables are also at play that likely influence the enactment of effective leadership (Yukl, 2013: 144). Bass concluded that, "who emerges as a leader and who is successful and effective is due to traits of consequence in the situation, some is due to situational effects, and some is due to the interaction of traits and situation" (1990: 87). For more in-depth treatment of the trait approach, please see the reviews of Judge, Bono, Ilies, and Gerhardt (2002) and Zaccaro (2007).

The Behavior Approach

In partial reaction to the general failure of the trait approach as a singular method for understanding leadership dynamics, many scholars began instead to focus on the study of actual leadership behavior vs. the internal mechanisms within a person that might cause leadership behavior (Bass, 1990: 511). The focus of these scholars was to better understand what managers and leaders actually *do* while on the job and to ascertain which of these behaviors reflect effective versus ineffective leadership (Yukl, 2013: 28). This approach began in the 1950s and elicited hundreds of studies, and the pioneering research that emerged especially from Ohio State University and the University of Michigan during the decade of the 1950s had a significant impact on the field (Bass, 1990: 511). The Ohio State studies found the repertoire of managers' behaviors can be linked to one of two core dimensions: 1) "initiating structure" (task-oriented) or "consideration" (people-oriented). More specifically, initiating structure "shows the extent to which a leader initiates activity in the group, organizes it, and defines the way work is to be done" (Bass, 1990: 512). It involves the maintenance of performance standards, meeting deadlines, decision-making regarding job assignments, establishment of communication and work organization, etc. Consideration "describes the extent to which a leader exhibits concern for the welfare of the other members of the group" (Bass, 1990: 511). It involves expressing appreciation for performance, focusing on workers' job satisfaction, paying attention to self-esteem levels of workers, making workers feel at ease, listening to and acting on subordinates' suggestions, etc. (Bass, 1990: 511).

Scholars found that there is no one specific configuration or balance of these two dimensions that predicts leadership effectiveness across social and work situations. For example, initiating structure becomes more critical to effective leadership when there is less structure within the group (Bass, 1990). Additionally, these two factors (initiating structure and consideration) and their interactions influence effective leadership; for example, "the initiation of structure by the leader (if structure is low) improves the subordinates' performance, which, in turn, increases the leader's subsequent consideration and reduces the leader's initiation of structure" (Bass, 1990: 543). The studies carried out at the University of Michigan produced similar findings to those conducted at Ohio State University.

In short, while many insights were gained regarding understanding what constituted effective leadership, again, these insights did not engender a significant increase in the ability to predict who would emerge as leaders among their peers (Yukl, 2006: 51–54) due to the complex nature of how initiating structure and consideration dynamically related to each other and with various types of different work and social situations (Bass, 1990).

The Situational Approach

The decades of the 1960s and 1970s saw an increase in scholars who were interested in how the situation (the context, environment) influenced leadership effectiveness. This was in partial reaction to the results of the trait and behavioral approaches that revealed that the situation or context likely has an influence on effective leadership in addition to trait and behavioral tendencies. The aim of scholars using this approach has been to ascertain what contextual intervening variables exist that influence leadership outcomes. For example, in some types of organizational settings, a specific trait in a person may assist him or her in being an effective leader while that same trait may, in a completely different context, be a detriment to effective leadership outcomes. For example, would the traits and qualities that made the brusque World War II general George Patton a highly effective leader cause him to also be an effective president of a Parent-Teacher Association in a modern neighborhood school district?

Theories developed from this approach are sometimes called "contingency theories," and they focus on delineating the relationships between person, situation, and leadership outcomes. Among others, the most prominent contingency theories developed during this time period were Fred Fiedler's *Least Preferred Coworker (LPC) Model*, the *Path-Goal Theory of Leadership* of Robert House, Paul Hersey and Kenneth Blanchard's *Situational Leadership Theory*, Kerr and Jermier's *Substitutes for Leadership Theory*, and the decision-making model of leadership of Victor Vroom, Phillip Yetton, and Arthur Jago. While compelling in

nature, in general these theories' predictive power turned out to be less than adequate when empirically tested (Yukl, 2013: 179–182). Yukl has observed that, "most contingency theories are stated so ambiguously that it is difficult to derive specific, testable propositions" from them, and that the empirical studies that have tested them have not been especially rigorous in their methodological designs (Yukl, 2006: 230).

Despite the unresolved questions that surround these theories, they have provided the field with an important perspective: that the situation that leaders find themselves in do matter and do influence leadership outcomes. Elements of situation or context that influence leadership outcomes include "the make up of the subordinates and the organizational constraints, tasks, goals, and functions in the situation" (Bass, 1990: 510). Despite these contributions to the field, few scholars now focus exclusively on studying leadership using this approach. Citing Gardner, Lowe, Moss, Mahoney, and Coglisser (2010), Day and Antonakis (2011) report that

> Only about 1% of the articles published in the last decade in *Leadership Quarterly* focused on contingency theories. A contributing factor to this waning interest may be that parts of this literature have led to the development of broader contextual approaches to leadership.

(p. 9)

The Power-Influence Approach

Some scholars have always been interested in studying leadership through the lens of the concept of power and authority; that is, they focus on the influence processes that flow from leaders to subordinates, and view leadership as primarily a phenomenon of influence. Yukl observes that

> This research seeks to explain leadership effectiveness in terms of the amount and type of power possessed by a leader and how power is exercised. Power is viewed as important not only for influencing subordinates, but also for influencing peers, superiors, and people outside the organization, such as clients and suppliers.

(Yukl, 2006: 14).

This approach is quite common by scholars who employ a historical analysis approach to the study of leadership. Common areas of study within this approach are the difference between power and authority, the outcomes of influence attempts (particularly, commitment, compliance, or resistance), the nature of influence processes, typologies of power, how power is acquired and lost, and the cataloguing of influence tactics (Yukl, 2006: 146–177). The studies extant in this sub-field exhibit a wide variety of scope in terms of approach and thus render even a summary review problematic; however, to provide a glimpse into their nature, I will summarize key aspects of Yukl's 2013 analysis of influence tactics and Bass's 1990 overview of sources of power in leadership.

Yukl notes that scholars have delineated eleven separate influence tactics that managers and subordinates use to exert power: rational persuasion, inspirational appeals, consultation, collaboration, apprising, ingratiation, exchange, personal appeals, coalition tactics, legitimating tactics, and pressure (Yukl, 2013: 204–218). These tactics, their directional usage, how they are used in differing sequences and combinations, and their likely effectiveness have been investigated. Though this research has provided much clarity regarding how influence is used in organizations, there is still much to be learned about the complexity in which these tactics are combined, deployed, and shifted due to a multitude of contingency factors, including power itself. Yukl (2013: 219) concluded that:

> Little research has investigated the complex relationships between power and influence. There is only limited evidence for the proposition that power influences the choice of influence tactics, that power moderates the effectiveness of a specific influence tactic, or that power increases compliance or changes target behavior independently of the use of tactics based on this power. Clearly these important research questions deserve more attention.

French & Raven (1959) delineated five types or sources of power (expert, referent, reward, coercive, and legitimate), and their model became a foundation for many subsequent studies that focused on power and its relationship to leadership (Bass, 1990: 231). Bass states that each of these five bases or sources of power can be summarized as follows (1990: 231–232):

Expert power is based on B's perception of A's competence.

Referent power is based on B's identification with or liking for A.

Reward power depends on A's ability to provide rewards for B.

Coercive power is based on B's perception that A can provide penalties for not complying with A.

Legitimate power is based on the internalization of common norms or values.

Yukl (2013) recently added another base of power to those listed above: *ecological power*, which he defined as "control over the physical environment, technology, and organization of the work [that] provides an opportunity for indirect influence over other people" (Yukl, 2013: 195). This involves "situational engineering" or "ecological control" wherein situations are modified in order to influence people; for example, modifying job designs, design and type of organization of work activities, control over physical work environments, and the formal design of the organization itself. All are examples of situational engineering (Yukl, 2013: 195–196).

While the above sources or bases of power seem straightforward, it turns out that the enactment of power between leaders and subordinates is complex and sometimes counterintuitive. For example, the power of leaders can be diluted or counteracted by subordinates who possess high levels of self-confidence and self-esteem and high levels of knowledge and competence regarding the task they are assigned to carry out (Bass, 1990: 251). Thus, power is not a unidirectional, top-down force that flows from manager to subordinate. Bass (1990: 251) concluded that "the concept of power leaves unexplained much of what is involved in the leadership role," and that power "is not synonymous with leadership."

In the 1980s and 1990s, some scholars focused on a particular mode by which power can be deployed by leaders, and this came to be known by varying names, such as: *transformational leadership*, *visionary leadership*, and *charismatic leadership*. Bernard M. Bass was a major contributor to this sub-field of leadership, and he argued that "previous paradigms of leadership were mainly transactional; that is, they were focused on the mutual satisfaction of transactional (i.e., social exchange) obligations" and held that another conception of leadership was required to account for situations where "idealized and inspiring leader behaviors induced followers to transcend their interests for that of the greater good" (Day & Antonakis, 2011, p. 11). "It rests on the assumption that a charismatic leader with strong moral values can transform his or her followers and, in turn, be transformed by this interaction" (Tal & Gordon, 2016: 260–261). The importance of the concepts of vision, mission, charisma, and the ability to communicate lofty ideals to followers that appear profusely in both the academic and popular press flows from this approach to the study of leadership. Tal and Gordon (2016: 264) report that, quantitatively, transformational leadership is the most popular leadership theory in social scientific use based on the number of times it appears in both journal and book publications.

The Integrative Approach

Yukl (2013: 29–30) terms the usage of variables from theories from the above four approaches, in any combination within a single research study, as the "integrative approach" to the study of leadership. Some scholars in the field are turning to this approach as a possible catalyst for new insights and discoveries in leadership. Day and Antonakis (2011) summarize this position well in the following statement:

> It appears that our accumulated knowledge is such that we can begin to construct hybrid theories of leadership, or even hybrid-integrative perspectives, ... including not only psychological and contextual variables but biological ones as well ... It is only through efforts to consolidate findings that leadership research will go to the next level where we may finally be able to construct and test more general theories of leadership ... Now leadership researchers need to begin to conceptualize ways in which many of the diverse findings can be united and otherwise synthesized and integrated.
>
> (pp. 13–14)

Another relatively new way of approaching leadership that I will include within the "integrative approach" umbrella of leadership studies has been termed, "pluralizing leadership" (Sergi, Denis, & Langley, 2017). Scholars within this category attempt to study leadership as a holistic, complex phenomenon where mutually causal relationships between all the relevant variables at play influence the leadership process (Wheatley, 2006). Traditional approaches tend to divide reality (e.g., leader vs. follower) while scholars working from a systems perspective—to one degree or another—view all the extant variables as being inseparable, and thus leadership is seen as an organic process rather than a quality that is housed solely in the leader or in the

interaction between the leader and a single subordinate, limited number of contextual variables, or a small group of followers (Mendenhall, Macomber, Gregersen, & Cutright, 1998). Mary Parker Follett, viewed by many scholars as being the foundational scholar of this perspective (Sergi et al., 2017), argued that scholars must approach the phenomenon they study from a stance of ascertaining

> ... a varying thing in relation to a varying thing, taking into account that these are affecting each other simultaneously. We must therefore in the social sciences develop methods for watching varying activities in their relatings to other varying activities. We cannot watch the strikers and then the mill-owners. We cannot watch France and then Germany ... the activity between mill-owners and strikers is changing the activity of mill-owners, of strikers ... France is not responding to Germany, but to the relation between France and Germany ... The interweaving which is changing both factors and creating constantly new situations should be the study of the student of the social sciences.

<div align="right">(Follett, 1951: 68−69)</div>

Primary sub-fields of leadership within pluralistic leadership are collective leadership, complexity leadership, shared leadership (Sergi et al., 2017: 36−37; Tal & Gordon, 2016) and co-leadership (Gibeau, Reid, & Langley, 2017; Tal & Gordon, 2016). These sub-fields can be briefly defined as follows:

Collective leadership: "Defines leadership as a dynamic process in which a defined leader, or set of leaders, selectively utilizes skills and expertise within a network as the situation requires." (Tal & Gordon, 2016: 260)

Complexity leadership: Focuses on leadership in "organizations dealing with rapidly changing, complex problems in the overlapping hierarchies linked in an interactive network." (Tal & Gordon, 2016: 260)

Distributed leadership: "Effective leadership happens when people at all levels engage in an action and accept leadership in their particular area of expertise." (Tal & Gordon, 2016: 260)

Shared leadership: "Stresses the importance of sharing power among a set of individuals rather than centralizing it in the hands of a single superior." (Tal & Gordon, 2016: 261)

Co-leadership: "The idea ... that two people might successfully share an organizational leadership role on an equal footing." (Gibeau et al., 2017)

Pluralistic leadership has been gaining credence over the past decade among many leadership researchers (Sergi et al., 2017). A bibliometric analysis that analyzed papers and books published in the realm of leadership from 1967−2014 found that while transformational leadership remained the most popular framework for the study of leadership over this time period, shared leadership was second, while collective leadership was third highest (Tal & Gordon, 2016: 261; 264, 268), with research in the area of collective leadership multiplying more rapidly than transformational leadership, and had the highest citation immediacy index of all the theoretical categories of leadership. Similarly, distributive leadership, despite being a nascent sub-field in the leadership literature, had the highest number of publications among leadership theories that have emerged since the 1990s to the present (Tal & Gordon, 2016). Based on their findings, they note that:

> Although transformational leadership is still considered the most influential approach, the collective and shared categories are signaling a trend for the future. This shift is conceivable in view of the collaborative and shared trends in internet and web use; in the construction of social networks, which are based on cooperative and shared knowledge; and in the advancement of collaborative work in science as a whole.

<div align="right">(Tal & Gordon, 2016: 268)</div>

Types of Leadership Theories

Within each approach to the study of leadership described above, scholars developed different types of theories to guide their study of leadership. These theoretical developments, as you will soon see, have had an impact of how global leadership has been studied as well. There are three categorizations of leadership theories made by Yukl (2013: 34–35): 1) leader- vs. follower-centered theories, 2) descriptive vs. prescriptive theories, and 3) universal vs. contingency theories.

Leader- vs. Follower-Centered Theories

As the terminology of this categorization suggests, some scholars have focused mostly on developing theories that describe and delineate behaviors associated with leaders as opposed to their followers. This tendency was quite common in studies associated with the trait and behavior and power-influence approaches discussed above. The tendency to focus almost solely on the leader as the center of theory building has been strong in the field, and even those working from a contingency approach have featured leader more so than follower dimensions in their research (Yukl, 2013: 34–35).

The tendency to focus on the leader as the primary element of leadership predated the social scientific study of leadership as historians, biographers, theologians, and military academies have taken this approach for centuries (Bass, 1990: 37). This perspective of leadership in the social sciences has been dubbed, "The Great-Man Theory" of leadership, and any theory that purports to focus mainly on the leader to the exclusion or downgrading of other variables that are part of the leadership process is often termed, a "Great-Man" theory (Bass, 1990).

Scholars have attempted to remedy this imbalance by studying the role of followers' perceptions, attitudes, and decision-making toward leaders. The emergence of Vertical Dyad Theory (Danserau, Graen, & Haga, 1975) and Leader-Member Exchange Theory (Graen & Uhl-Bien, 1995) reflected attempts to delineate the quality and nature of the relationships with leaders and their followers. These and other scholars' research has been labeled the "Relational School of Leadership" by Day and Antonakis (2011) in their review of the field. Also, the 1980s and 1990s saw an influx of studies on the nature of charisma and leadership, with a focus on the part of some scholars on the role of followers' perceptions in charismatic leadership. They focused on studying characteristics in leaders' behaviors that triggered attributions of leadership in the minds of followers (see, for example: Conger & Kanungo, 1987). These studies provided important insights into why followers decide to follow or ignore the influence attempts by people who sought to be leaders.

Descriptive vs. Prescriptive Theories

A descriptive theory attempts to "explain leadership processes, describe the typical activities of leaders and explain why certain behaviors occur in particular situations" (Yukl, 2013: 35). That is, descriptive theories are most concerned with mapping the behavioral terrain and tendencies within a given phenomenon in the hope that an in-depth understanding of the outward behavior of the phenomenon will yield insight for scholars and practitioners alike. Descriptive theories are particularly common within the behavior approach to the study of leadership (Yukl, 2013).

Alternatively, "prescriptive theories specify what leaders must do to become effective, and they identify any necessary conditions for using a particular type of behavior effectively" (Yukl, 2013: 35). Prescriptive models try to theorize why effective behaviors are triggered so that insight can be gained regarding what leads to effective leadership. Sometimes, leadership theorists combine aspects of both the descriptive and prescriptive approaches in their theory-building efforts (Yukl, 2013).

Universal vs. Contingency Theories

Universal theories are constructed to apply to leadership issues in and across all contexts, and can be either prescriptive or descriptive in nature; for example, "a descriptive universal theory may describe typical functions performed to some extent by all types of leaders, whereas a prescriptive universal theory may specify functions all leaders must perform to be effective" (Yukl, 2013: 35). Contingency theories set forth the various conditions that can intervene in leadership attempts that can influence their success or failure and map the relationships between the variables at play in such situations. Thus, from the contingency perspective, the future success of any leadership act is contingent upon the degree to which that act is congruent with the external conditions that are necessary in order for it to have its desired effect.

Contingency theories can be either prescriptive or descriptive as well. For example, "a descriptive contingency theory may explain how leader behavior typically varies from one situation to another, whereas a prescriptive contingency theory may specify the most effective behavior in each type of situation" (Yukl, 2006: 19).

Unresolved Problems in the Field of Leadership

The extant empirical and theoretical studies on leadership, while shedding much light on leadership, have also yielded challenges that have not yet been resolved by scholars working in the field. Because these challenges affect how global leadership is both studied and applied, it is necessary to review these issues before introducing you to the domain of global leadership.

Problems of Definition

In his review of the leadership literature, Rost (1993: 7) found that 60 percent of the studies from 1910 to 1990 contained no clear statement of definition for the phenomenon they investigated, *leadership*. The scholars simply assumed that others shared their assumptions about the concept of leadership. Those scholars who did wrestle with how to best define leadership for research purposes have not reached consistent agreement as to how to best define the phenomenon (Bass, 1990; Rost, 1993; Yukl, 2013).

To study a concept like leadership scientifically, it is important to narrow one's definition of the phenomenon under study so as to be able to have a target that is manageable in terms of measurement. Broad definitions of a phenomenon require powerful, costly, complex, and sophisticated measurement instruments due to the necessity of having to simultaneously measure a myriad of variables that systemically interact within the phenomenon. Because it is both expensive and extremely difficult to create tools to accomplish both comprehensive and rigorous measurement of a phenomenon as complex as leadership, social scientists focused on more narrow aspects of leadership to study rather than the entire phenomenon itself in their research designs. This enabled their studies to be more rigorous in nature and more practical from a logistical and financial standpoint. This approach, however, has produced some unfortunate side effects for the field.

Because social scientists have dissected leadership into its component sub-processes in order to enhance the methodological rigor of their research designs, their definitions of these component sub-processes have often simply been labeled as *leadership* when in reality their definitions reflect only parts of what constitutes leadership. As Yukl (2013: 18) points out, social scientists have indeed tended to define leadership in terms of the portion of it that interested them as a target for their research studies, and thus "leadership has been defined in terms of traits, behaviors, influence, interaction patterns, role relationships, and occupation of an administrative position" (Yukl, 2013: 18) instead of in holistic ways. This has led to a plethora of definitions of the phenomenon of leadership and of differing conceptualizations of the nature of leadership. As early as 1959 Warren Bennis observed

> Always, it seems, the concept of leadership eludes us or turns up in another form to taunt us again with its slipperiness and complexity. So we have invented an endless proliferation of terms to deal with it ... and still the concept is not sufficiently defined.
>
> (p. 259)

Ralph Stogdill in his 1974 review of the leadership literature stated that, "there are almost as many definitions of leadership as there are persons who have attempted to define the concept" (259). The situation hasn't changed today, over thirty years since Stogdill's observation (Bass, 1990; Rost, 1993; Yukl, 2006). Day and Antonakis (2011) concluded in their review that

> ... leadership is often easy to identify in practice but it is difficult to define precisely. Given the complex nature of leadership, a specific and widely accepted definition of leadership does not exist and might never be found.
>
> (p. 5)

An example of how lack of agreement over definition can cause confusion is the "leadership vs. management" dichotomy. There is some disagreement in the field as to whether *leadership* is qualitatively different from the concept and practice of *management*. Warren Bennis (1989) illustrates the argument of one camp that holds that the two concepts are inherently different, and that the differences are reflected in the behavior of leaders and managers when he contends:

The leader innovates; the manager administrates.
The leader inspires; the manager controls.
The leader sees the long term; the manager sees the short term.
The leader asks "what?" and "why?"—the manager asks "how?" and "when?"

Most scholars agree that leadership and management are different processes but that dimensions of both are shared or overlap somewhat, and to be an effective leader one must possess skills necessary to be both a good leader and a good manager (Day & Antonakis, 2011: 5; Yukl, 2013: 22–23). Management is seen as resulting from a strong focus on meeting objectives, goals, and targets via the deployment of traditional administrative practices and techniques while leadership involves attaining goals via "purpose-driven action" that flows from shared vision and transformation and intrinsic motivation of followers (Day & Antonakis, 2011: 5). However, attempts at differentiating or integrating the roles, processes, and relationships inherent in leadership and management systems have proven to be complex and unsuccessful and remains as an important challenge in the field (Yukl, 2006: 7).

Rost (1993) argues that though the definitional problem in the field is bad enough, the attitude of many scholars continues to exacerbate the situation. He argues that many scholars do not see anything wrong at all with the multiplicity of definitions of leadership that exist, and that they simply "accept definitional ambiguity and confusion as something that behavioral and social scientists have to put up with and work around" (Rost, 1993: 6). This definitional permissiveness and ambiguity, it can be argued, has created a hodge-podge of empirical findings that do not make sense when compared against each other (Argyris, 1979; Rost, 1993). In other words, "the concept of leadership does not add up because leadership scholars and practitioners have no definition of leadership to hold on to" (Rost, 1993: 8). The moral of the ancient Indian parable of the *Blind Men and the Elephant*, it seems, can also be credibly applied to modern leadership scholars as well (Saxe, 1878: 150–152). Scholars act much like the proverbial blind men who each touched a different part of an elephant and then declared that the elephant was either like a wall (girth), spear (tusk), snake (trunk), tree (leg), fan (ear), or rope (tail) (please see Figure 1.1).

Problems of Balkanization

John Godfrey Saxe's classic poem applies not only to the methodological dissection of the phenomenon of leadership and the resultant problems of definition that this caused, but to another contributing problem in the field as well: lack of multidisciplinary thinking (Rost, 1993). Leaders and leadership have been a prime focus of the research of many social scientists throughout the 19th, 20th, and 21st centuries, and the fields in which leadership has been studied are wide ranging: anthropology, the arts, business, education, history, international relations, law, military, political science, psychology, religion, and sociology (Yukl, 2013). Rost (1993: 1) notes that:

It was six men of Indostan,
To learning much inclined,
Who went to see the Elephant
(Though all of them were blind),
That each by observation

Might satisfy his mind. The First
approach'd the
 Elephant,
And happening to fall
Against his broad and sturdy
side,
At once began to bawl:
"God bless me! but the Elephant
Is very like a wall!"

The Second, feeling of the tusk,
Cried,—"Ho! What have we here
So very round and smooth and
sharp?
To me 'tis mighty clear,
This wonder of an Elephant
Is very like a spear!"

The Third approached the
animal,
And happening to take
The squirming trunk within his
hands,

Thus boldly up and spake:
"I see,"—quoth he—"the Elephant
Is very like a snake!"

The Fourth reached out an eager
hand,
And felt about the knee,
"What most this wondrous beast
is like
Is mighty plain,"—quoth he—
"'Tis clear enough the Elephant
Is very like a tree!"

The Fifth, who chanced to touch
the ear,
Said—"E'en the blindest man
Can tell what this resembles most;
Deny the fact who can,
This marvel of an Elephant Is very
like a fan!"

The Sixth no sooner had begun
About the beast to grope,
Then, seizing on the swinging
tail
That fell within his scope,
"I see," quoth he "the Elephant Is
very like a rope!"

And so these men of Indostan
Disputed loud and long,
Each in his own opinion
Exceeding stiff and strong,
Though each was partly in the
right
And all were in the wrong!

Moral,
So, oft in theologic wars The
disputants, I ween
Rail on in utter ignorance
Of what each other mean;
And prate about an Elephant
Not one of them has seen!

Figure 1.1 The *Blind Men and the Elephant*

These one-discipline scholars are easily recognized because they almost always put an adjective in front of the word leadership, such as business leadership, educational leadership, or political leadership; and they strongly hold the assumption that leadership as practiced in the particular profession they are studying is different from leadership as practiced in other professions.

Because leadership is studied by a variety of disciplines, each with its own preferred set of paradigms, worldviews, and methodologies, the opportunity for a broader understanding of the phenomenon exists (Mendenhall, 1999). Unfortunately, natural bridging mechanisms do not exist between these disciplines that would allow for the dissemination and integration of scholars' findings. Interdisciplinary research is rare in academe, because it requires the learning of an entirely new scholarly paradigm, and such an endeavor is not only formidable from an intellectual standpoint, but it is pragmatically troublesome as well. Time, effort, energy, and money that can be spent within a known research stream have to be shifted to the personal education of the scholar. Few scholars have the luxury to retrain themselves in new ways of thinking and researching, and thus the "elephant" of leadership winds up being carved up and scrutinized from many disciplines with only minor forays of attempted integration. This lack of integration between academic disciplines is not unique to the field of leadership, but nevertheless, the comparative paucity of multidisciplinary work in the field has no doubt restricted the development of more complex and robust models of leadership (Mendenhall, 1999).

The Problem of Zeitgeist

In addition to the natural tendency for scholars to falsely delimit a phenomenon in order to enhance methodological rigor, Drath (1998) argued that there is another dynamic at play that influences how leadership is studied. How scholars study leadership (*i.e., which part of the elephant they choose to focus on*) often reflects the popular views, cultural mindset, and innovative ideas regarding what constitutes *good* or *ideal* leadership during the time period and the spirit of that time period—the Zeitgeist—in which the studies take place.

Drath (1998) contends that the influence of a given Zeitgeist on the construct of leadership causes leadership to be an evolving concept, and that leadership development methods follow the preferred ideational notion regarding leadership of a given time period. A summary of his conceptualization of the conceptual evolution of the idea of leadership is given in Figure 1.2. If one accepts Drath's perspective, leadership is an evolving phenomenon that is difficult to pin down through definition because society's view of it changes over time. It is a "complex and layered construction that has built up over the course of history … This layered meaning makes it complex and hard to define, but it also makes it a versatile, useful tool that can be employed in a variety of forms" (Drath, 1998: 409).

	Ancient	*Traditional*	*Modern*	*Future*
Idea of leadership	Domination	Influence	Common goals	Reciprocal relations
Action of leadership	Commanding followers	Motivating Followers	Creating inner commitment	Mutual meaning making
Focus of leadership development	Power of the leader	Interpersonal skills of the leader	Self-knowledge of the leader	Interactions of the group

Figure 1.2 Evolving Views of the Construct of Leadership

Drath's predictions he made in 1998 were prescient. His prediction that because of trends in societal evolution that scholars would begin to study the field by focusing on reciprocal relations, mutual meaning making, and interactions of the group (vs. a focus on individual leaders) have come to pass (Tal & Gordon, 2016), and are the exact types of processes that are studied in the leadership sub-fields of collective leadership, shared leadership, and distributive leadership.

Defining Leader Effectiveness

Another problem regarding leadership involves how effective leadership outcomes are measured. How does one know if someone is an effective leader? Is it based on the achievement of their vision for the organization or group that they lead? If so, Gandhi would necessarily be assessed as not being an effective leader because he was not able to create a religiously/ethnically united India. Most people would hesitate to state categorically that Gandhi was not an effective leader, so if the obtaining of the ultimate purpose of the leader is not a good criterion for measuring effective leadership outcomes, what is?

Traditionally social scientists have measured leader effectiveness using a wide variety of outcome variables (Yukl, 2013: 25), some of which are: net profits, profit margin, sales increases, market share, return on investment, return on assets, productivity, attitudes of followers, commitment, absenteeism, voluntary turnover, grievances, complaints, and job transfer requests. Note that not all the variables listed are commonly included in any one empirical study, but rather reflect the range of variables that have commonly been used by leadership scholars.

If managers are able to increase sales and market share in their divisions, yet have fairly high levels of voluntary turnover, grievances, and complaints, are they effective leaders? And if they have low levels of voluntary turnover, grievances, and complaints, yet have declining sales and low market share, are they effective leaders? Again, the aspect of leadership effectiveness that is most salient to the researcher often drives how leadership is defined, and the interpretation of the subsequent empirical findings. James MacGregor Burns aptly summarized the conundrum of measuring leadership when he wrote:

> We fail to grasp the essence of leadership that is relevant to the modern age and hence we cannot agree on the standards by which to measure, recruit, and reject it. Is leadership simply innovation—cultural or political? Is it essentially inspiration? Mobilization of followers? Goal setting? Goal fulfillment? Is a leader the definer of values? Satisfier of needs? If leaders require followers, who leads whom from where to where, and why? How do leaders lead followers without being wholly lead by followers? Leadership is one of the most observed and least understood phenomena on earth.
>
> (1978: 1–2)

Willingness to Follow vs. Gaining Compliance

Some definitions of leadership rely heavily on the notion that leaders must be able to influence other people to do tasks that are necessary to be done for the survival of the group or organization. This has led to another bifurcation among scholars, however: "Do leaders have to elicit a willingness to follow them from subordinates in order to be an effective leader or is it enough to be able gain compliance from subordinates?"

How one answers this question has significant implications in terms of what variables one selects to use in a research study and how one even evaluates who is a leader and who is not. In a company, how an HR manager answers this question elicits marked differences in the design and implementation of leadership development programs.

Conclusion

Based upon scholars' assumptions and biases regarding how they view leadership, research methodologies are constructed and studies are carried out. It is no wonder then that research support for traditional leadership theories is mixed, at best (Yukl, 2013: 182).

It would be incorrect to infer from the discussion thus far, however, that there is complete theoretical or empirical confusion in the field of leadership. Social scientists have done a credible job of delineating in detail many sub-processes and components of the leadership phenomenon, and much valuable information has been learned and applied to good measure by managers and organizations from the extant empirical and theoretical literature. We will now begin to introduce how the heritage of the field of leadership has influenced the development of the study and understanding of global leadership.

Global Leadership: Where Did It Come From?

A comprehensive analysis of the evolutionary pedigree of the field of global leadership would require a book-length treatment. What follows in this chapter is a general summary of some of the seminal milestones of the history of the field. For a more in-depth historical analysis, please see Bird and Mendenhall (2016) and the next chapter of this book, authored by Joyce S. Osland.

The emergence of international business as separate field of study in the 1950s (Toyne & Nigh, 1997) opened the view of some scholars working in that area to consider how leadership operated in other cultures and the attendant implications of these cross-cultural leadership differences for international businesspeople working in multinational corporations. However, these types of studies constituted a minority of the studies conducted in the international business field. The prevailing focus was on macro-level issues that related to "the firm's relationship with its external environment" (Boyacigiller & Adler, 1997: 398). In the 1960s some scholars studying business management began to look at the challenges associated with managing human resources in multinational corporations (MNCs). Bird and Mendenhall (2016: 116) noted that initially "early work in cross-cultural management often consisted of identifying a phenomenon or theory of interest and asking, 'Is this phenomenon the same in another country?' or 'does this theory apply in another culture?' Typical of these types of studies were Herzberg's studies of motivation in Finnish workers (1965a) and job attitudes among Soviet workers (1965b)."

Other scholars began to work off of the assumption that leadership and other organizational behavior theories may not be universally applicable across cultures, but rather should be studied from the perspective of the construct of culture itself. This led to a more sophisticated understanding of the nature of national cultures and their effects upon how MNC subsidiaries should be managed on a country- by-country basis. This rubric of research was termed, "comparative management," due to the focus of studying "psychological and sociological perspectives that often use theories and frameworks of culture to explore these perspectives" (Bird & Mendenhall, 2016: 118). Prominent theories of culture utilized in comparative management studies include those of Hofstede (1984), House, Javidan, Hanges, and Dorfman (2002), Kluckhohn and Strodtbeck (1961), Triandis (1995), Hall (1966, 1973), Trompenaars and Hampden-Turner (1998), and Schwartz (1992).

Some comparative management scholars have applied more limited anthropological theories of national cultures to institutional processes to analyze specific countries' leadership norms and processes. Termed "country-specific" studies, this vein of research has produced compelling insights that have been extremely helpful to managers, leaders, and expatriates who live and work with people from these cultures. For example, given its post-World War II resurrection into a major economic power, Japan has been a focus of many country-specific studies related to better understanding Japanese leadership and other organizational behavior processes (for examples see: Abegglen, 1958; Keys & Miller, 1984; Mendenhall & Oddou, 1986; Misumi & Peterson, 1985; Nakane, 1970, 1972; Pascale & Athos, 1982; Rohlen, 1979; Ouchi, 1982). Concurrent to comparative management research activity, the 1970s saw an increase in the number of studies done on expatriate managers and their challenges associated with managing subordinates from national cultures different from one's own, in contexts outside of one's country of birth (for a review of this early research, see Mendenhall & Oddou, 1985). Studies of expatriate managers increased significantly in the late 1980s and throughout the 1990s, and burgeoned from the 2000s to the present, raising awareness and insight regarding the role that culture plays as a contingent variable in cross-cultural managerial and leadership effectiveness of expatriates (Thomas & Lazarova, 2006).

Much of the above research was driven in the background by the advent of globalization as a new reality in international business. Attendant with the rise of globalization in the 1990s was the prospect that the

> traditional distinction between domestic and multinational companies had started to become blurred. International competition was no longer the preserve of industrial giants ... Statistics from the 1960s show that only 6 percent of the U.S. economy was exposed to international competition. By the late 1980s, the corresponding figure was over 70 percent and climbing fast.

In the mid-1980s, Gunnar Hedlund observed the following, presaging the current reality of global business:

> A radical view concerning globality is that we are witnessing the disappearance of the international dimension of business. For commercial and practical purposes, nations do not exist and the relevant business arena becomes something like a big unified 'home market.'
>
> (1986: 18)

Responding to Hedlund's prescient view above, Evans et al. (2002: 25) observed: "By the early 1990s, this was no longer a radical proposition." The management challenges that continually spawned out of globalization increased the need on the part of MNCs to develop executives who could manage and lead from a global perspective (Mendenhall, Jensen, Gregersen, & Black, 2003). Leadership was deemed to be more complex and challenging than it once was due to the onslaught of the processes of globalization. Various scholars' surveys of the HR concerns of MNCs since the late 1990s to the present have elicited almost identical findings: that developing global leadership and business competence in leaders is a high priority for most firms (Gregersen, Morrison, & Black, 1998; Mendenhall et.al., 2003; Suutari, 2002). In other words, firms have begun to realize that people are the key to global success. Perhaps the concern can be summarized usefully with the following statement (Black et al., 1999: 1–2):

> People formulate and implement strategy … The strategy of a company is a function of its strategy makers. For example, whether they recognize or miss global threats or opportunities is a function of their experience and perspective. How they structure an organization for global reach and results depends on how they see the world of organizations, markets, competitors.

There is no doubt that executives face complex challenges of leadership because of the evolving globalized context in which they work, but what is it about the global context that is so challenging? "The term 'global' encompasses more than simple *geographic reach* in terms of business operations. It also includes the notion of *cultural reach* in terms of people and *intellectual reach* in the development of a global mindset" and global skills (Osland, Bird, Mendenhall, & Osland, 2006). Or, as Bird and Mendenhall (2016: 117) put it:

> Leaders now find themselves leading global teams, global projects, and global operations often from the countries of their birth. They may not be expatriates, but nevertheless they are global leaders. Or, if they are expatriates, they may be leading multiple global teams and organizational divisions outside of the region in which they are based. In essence, they can be called on to lead "anyone, anywhere, at any time."

Lane, Maznevski, and Mendenhall (2004) argued that globalization is a term that has been used to attempt to describe what is in reality "increased complexity." They argue that there are four dimensions of complexity in the global context that together in a systemic, ongoing "combining" cause a plethora of business challenges that often are unforeseen and inherently unpredictable to executives. The first dimension, multiplicity, reflects the geometric increase in the number and type of issues that global leaders must deal with compared to domestic leaders: "Globalization is not just about 'more;' it's about 'more and different.'" Multiplicity reflects the necessity of global leaders having to deal with more and different competitors, customers, governments, stakeholders, and NGOs, in addition to multiplicity on all aspects along the value chain. Additionally, organizations must choose from an almost infinite variety of permutations of models of organizing and conducting business in their worldwide operations (Lane et al., 2004)

The second aspect of the complexity inherent in globalization is the notion of interdependence. Lane et al. (2004) note that, "with fast and easy movement of capital, information, and people, distributed units are no longer isolated." Interdependencies generate complexity in that global leaders must be able to attend to, and manage, more complex systems of human and technological interaction compared to domestic leaders. The increase of interdependencies in economies, along all aspects of the value chain, mergers and acquisitions, alliances, joint ventures, virtual teamwork, etc., all create a higher bar for leaders in terms of performance and skill set acquisition. Ambiguity is the third element of global complexity. Lack of information clarity, unclear cause and effect relationships, and equivocality regarding information (where multiple interpretations of the same facts are possible) exists in domestic work settings, but is increased in global work settings. Additionally, cross-cultural differences in norms in the interpretation of both qualitative and quantitative information add to the challenge of managing across borders (Lane et al., 2004).

These three elements of globalization, in operation together, cause a multiplier effect that continually produces

dynamic complexity in the global business realm. And, "as if multiplicity, interdependence, and ambiguity were not enough on their own, the whole system is always in motion, always changing. And it seems to be changing at a faster rate all the time" (Lane et al., 2004). Flux, the ever-changing meta-context in which dynamic complexity takes place, is an environment of nonlinear, ongoing shifting in terms of system dynamics, values, organizational structure, industry trends, and socio-political stability. Leading in the context of global complexity requires additional competencies and skills in addition to domestic leadership competencies and skills that have been previously attained. These competencies and skills will be addressed in great detail throughout this book; however, a few examples to provide you with an illustration of the nature of these competencies are: 1) "an understanding of contextualization in cultural systems and how negotiated cultures emerge and should be managed and led" (Bird & Mendenhall, 2016: 117; Salk & Brannen, 2000), 2) boundary spanning (Beechler, Sondergaard, Miller, & Bird, 2004), 3) cognitive complexity (Levy, Beechler, Taylor, & Boyacigiller, 2007), and 4) cosmopolitanism (Levy et al., 2007; Bird, Mendenhall, Oddou, & Stevens, 2010).

The responses to the challenges of the complexity of globalization on the part of industry were swift: "We need executives who can handle this global complexity and we need them fast." Global leadership development programs to upgrade the competencies and skills of managerial cadres were established and training quickly ensued. These programs were normally generated internally within companies, often with the assistance of external consultants, and were not based on empirical findings of the actual dimensions of global leadership but rather on what seemed to make sense to the designers (Von Glinow, 2001). Von Glinow (2001) noted that in the 1990s some global firms designed programs around what they traditionally viewed as the three to five core skills they associated with global executive competence while other firms developed programs that addressed upwards of thirty or more skills that they felt were important in the development of global leaders. This hodgepodge approach led to poor results, further exacerbating the problems that firms faced: developing executives who could lead globally. When firms turned to academe for help, there was no response except, "We are not really sure what the dimensions of global leadership are that should act as anchors and as guides for your training curricula."

Scholars began to respond to these business needs and a field was born (Bird & Mendenhall, 2016: 118; Mendenhall, 2001), and summarizing the results and impact of the research in this field is the primary purpose of this book. The field of global leadership thus began with a small cadre of scholars who were: 1) determined to map the phenomenon in order to assist firms in their global leadership development efforts, and 2) eager to explore the empirical and theoretical dimensions of leadership as it applied to globalization. The field of global leadership is in its nascence, yet it has built a base of research that can offer useful direction to organizations who struggle with developing an executive cadre that is truly global in worldview and in leadership-related competencies. The need for global leaders in firms has not changed; what has changed is that compared to the 1990s there is now more research from which to base global leadership development programs upon. The purpose of this book is to share this research and to draw conclusions from it for organizational practice. Before we embark on that journey, however, we must first address one more critical question: "What is the difference between global leadership and 'regular,' domestic or traditional leadership?"

Global Leadership vs. Traditional Leadership

Some executives and managers wonder what is so special about the notion of global leadership—is it not simply sound leadership principles applied to the global context? And if so, does it really make much sense to carve out an entirely different term when a better one, *leadership*, exists? In a way, it is a similar argument to the one heretofore discussed: what is the real difference between leadership and management? In this case, the permutation is: "Are not global leadership and traditional leadership in essence the same concept?"

Some scholars working in the area of global leadership concede the point that while most—if not all—competencies associated with leadership from the traditional leadership literature are necessary to lead globally, the global context places such high demands on the deployment of those competencies that for all intents and purposes the skill level and deployment demands render the phenomenon to be so different in

degree that it makes sense to address it as being different in kind to traditional leadership. Specifically, the global context significantly increases for leaders the valence, intensity, and complexity of key contextual dimensions that also exist for those leading in a domestic context. It can be argued that global leadership

> … differs from domestic leadership in *degree* in terms of issues related to connectedness, boundary spanning, complexity, ethical challenges, dealing with tensions and paradoxes, pattern recognition, and building learning environments, teams, and community and leading large-scale change efforts—across diverse cultures.
>
> (Osland and Bird, 2006: 123)

Additionally, it can be argued that global leadership differs from domestic leadership in *kind* due to the nature of the outcomes the global context potentially can produce in people who must live and work in it. Living and working constantly in a global context, and experiencing the ongoing intensity of the dimensions of complexity discussed by Lane and his colleagues, can trigger a transformational experience within managers (Osland, 1995). These powerful transformational or crucible experiences (Bennis & Thomas, 2002; Osland, 1995) have been found to produce new mental models in individuals—new worldviews, mindsets, perceptual acumen, and perspectives that simply do not exist within people who have not gone through such a series of experiences in a global context (Osland, 1995; Pless, Maak, & Stahl, 2011). It is this transformational process that can only occur within someone working globally that leads some scholars to infer that global leadership significantly differs in degree—or perhaps even kind—from traditional leadership to warrant studying it as a separate phenomenon (Osland et al., 2006). As we move to a more in-depth treatment of the theories, models, and empirical findings in the field of global leadership in succeeding chapters, it is important to pause and consider what we, the authors, mean when we use the term global leadership throughout this book. Just as in the traditional leadership literature, there is no agreed-upon definition of global leadership as yet in the field. Some of the challenges around construct definition in the field will be discussed in Chapter 3. However, for the general purposes of this book, and to provide a framework for you as you address the term throughout the chapters, we will use the following definition when we refer to global leadership (Reiche, Bird, Mendenhall, & Osland, 2017: 553):

> **Global leadership** *is the processes and actions through which an individual influences a range of internal and external constituents from multiple national cultures and jurisdictions in a context characterized by significant levels of task and relationship complexity.*

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The Multidisciplinary Roots of Global Leadership

JOYCE S. OSLAND

> So the journey is over and I am back again where I started, richer by much experience and poorer by many exploded convictions, many perished certainties. For convictions and certainties are too often the concomitants of ignorance. Those who like to feel they are always right and who attach a high importance to their own opinions should stay at home. When one is traveling, convictions are mislaid as easily as spectacles; but unlike spectacles, they are not easily replaced.
>
> —Aldous Huxley, *Jesting Pilate*

The field of leadership, reviewed in the previous chapter, is not the sole contributor to understanding global leadership. The differences in degree and kind between domestic and global leadership are also rooted in global leadership's multidisciplinary evolution. There are numerous fields that global leaders would benefit from studying, such as international affairs, diplomacy, anthropology, and cognitive and cross-cultural psychology, to name just a few. However, early scholars in the field of global leadership have drawn heavily from four fields that address effectiveness in working across cultures. They are Intercultural Communication Competence (communicating appropriately and effectively with diverse cultures), Expatriation (working abroad), Global Management (managing across national borders), and Comparative Leadership (national indigenous leadership styles). We will briefly cover the highlights from these fields that relate to global leadership and identify their contributions to the study of global leadership.

Intercultural Communication Competence

"Living in a diverse world—or leading a diverse work force—is more than a mental construct, a memorized list of cultural differences, or a willingness to be tolerant. It's about examining how well we function at the margins and interfaces of life, where divergent ways of being and believing meet and collide" (Kemper, 2003).

Intercultural communication competence prepares people to function well at the margins where cultures collide. For reviews, see Dinges and Baldwin, 1996, Deardorff, 2006, and the *SAGE Encyclopedia of Intercultural Competence* (Bennett, 2015); for a review of intercultural competence, see Leung, Ang, and Tan (2014). Intercultural communication competence has much to contribute to any field that crosses cultural boundaries. This topic is especially important, however, for global leaders as they attempt to understand and motivate followers, partners, and stakeholders and transmit their vision and receive feedback from others. As you can imagine, the abilities to engage in active listening and accurately interpret communications are especially crucial for global leaders working with people of diverse cultural backgrounds.

Intercultural communication competence has been defined as "the ability to effectively and appropriately execute communication behaviors that negotiate each other's cultural identity or identities in a culturally diverse environment" (Chen & Starosta, 1999: 28). Appropriateness means taking cultural expectations and the feelings of the other person into consideration and behaving consistently in accordance with those expectations. Intercultural communication competence comprises knowledge, skills, attitudes, and awareness (Fantini, 2000). It includes knowledge that is culture-specific (pertaining to a particular country), culture-general (pertaining to all foreign cultures), and context-specific (e.g., a business setting). Individuals who are competent also possess a good understanding of their own culture.

Intercultural competence involves the ability to establish interpersonal relationships, communicate effectively, manage psychological stress, adjust to different cultures, deal with different society systems, and understand others (Hammer, Gudykunst, & Wiseman, 1978; Wiseman & Abe, 1984; Paige, 1993). According to Gudykunst (1994) the most important intercultural skills are: mindfulness, cognitive flexibility, behavioral flexibility, tolerance of ambiguity, and cross-cultural empathy. Cognitive flexibility can be defined as "the ability to understand, consider, and weigh multiple frameworks, or schemas" (Endicott, Bock, & Narvaez, 2003: 415). Behavioral flexibility refers to a willingness to adopt and use different styles appropriately. Tolerance of ambiguity is "the way people process information about ambiguous situations and stimuli when confronted with an array of unfamiliar, complex, or incongruent clues" (Furnham & Ribchester, 1995: 179). People with a low tolerance find ambiguity stressful, attempt to avoid it, and react prematurely to remove the ambiguity. Those with a high tolerance find ambiguity interesting and challenging in a positive way. Empathy is defined as "the ability to experience some aspect of reality differently from what is 'given' by one's own culture" (Bennett, 1993: 53). Mindfulness is defined as the process of thinking in new categories, being open to new information, and recognizing multiple perspectives. Being mindful means switching from automatic communication routines to paying attention simultaneously to the internal assumptions, cognitions, and emotions of both oneself and the other person (Thich, 1991). Thus, a related skill is the ability to see things through the eyes and minds of others, which is known as perspective taking (Tye, 1990). Although global leader scholars may refer to some of these skills using different terminology, all of them have been identified in the global leadership research as important competencies.

Paige (1993) built on these ideas to create the following description of intercultural communication competence, which includes the ability to do the job in question (technical skills) and acknowledges contextual variations (situational factors):

  Knowledge of the target culture

  Personal qualities (i.e., flexibility, tolerance of ambiguity, sense of humor, openness)

Behavioral skills (communicative competence)

Self-awareness (one's values and beliefs)

Technical skills (e.g., the ability to accomplish tasks)

Situational factors (e.g., clarity of expectations, psychological pressure)

"There is no prescriptive set of characteristics that guarantees competence in all intercultural relationships and situations" because competence also depends on the "characteristics of the association" between the communicators and on the situation itself (Lustig & Koester, 2003: 65). Not every relationship or every situation requires the same skill set. For example, some people function as cultural mentors who make themselves available to explain what is going on to foreigners working in their country (Osland, 1995). Their motivation often comes from having firsthand experience of the difficulties of crossing cultures and knowing which aspects of their culture puzzle foreigners. It is possible to ask such cultural mentors more direct questions about their culture, with less fear of giving offense, than with more parochial people from the same culture. Thus, in the context of interacting with a cultural mentor, there may be less need for mindfulness and behavioral flexibility and a greater sense of freedom to "be oneself" and behave in accordance with one's own cultural norms.

Several caveats concerning intercultural competence may initially seem counterintuitive (Bennett & Salonen, 2007). First, foreign language fluency does not guarantee intercultural competence (Hammer, 2007). It can be an advantage, however, where locals appreciate those who make the effort to learn their language. But fluency does not automatically translate into intercultural competence. For example, French-speaking European expatriates in Burkina Faso shared that language with many locals. This was not the case for other expatriate nationalities who bumbled around in broken French or one of the local dialects. However, the Africans treated expatriates differently and more positively, not based on their language fluency but on their intercultural competence—whether they were respectful and took the time to observe local greeting rituals and build relationships. Second, cultural knowledge does not equal intercultural competence (Bennett, 2009). A person may know intellectually that a relationship focus is more important than a task focus in certain cultures without having the actual ability to connect with others and build relationships. Similarly, individuals can be experts on Indian culture and even spend their life researching Indian leadership without being able to effectively lead Indians. Cultural knowledge is crucial; to apply it, however, means we have to be able to close the knowing-doing gap. Third, simply living in a foreign country does not guarantee intercultural competence (Hammer, 2007). "Learning from experience requires more than being in the vicinity of events when they occur; learning emerges from the ability to construe those events and reconstrue them in transformative ways" (Bennett & Salonen, 2007: 1). Our last caveat is not counterintuitive to anyone who has ever tried to change human behavior. According to a multidisciplinary review of international research (Mendenhall et al., 2001), intercultural training is more likely to result in knowledge acquisition than in changing attitudes, behavior, adjustment or performance. To summarize, intercultural competence, like global leadership, does not develop easily or quickly without transformational experiences, careful design, and a strong motivation for personal development in this area.

Some scholars view intercultural communication competence as a process that begins with an ethnocentric view that is eventually transformed into intercultural communication competence (e.g., Hoopes, 1979; Bennett, 1993; Pedersen, 1994; Fennes & Hapgood, 1997). Fennes and Hapgood (1997) argue that this process includes: overcoming ethnocentrism, acquiring the ability to empathize with others; and acquiring the ability to both communicate and cooperate across cultural boundaries. The capacity to expand and adapt one's frame of reference and match the behaviors of others is implicit in this process (Fennes & Hapgood, 1997). The basic tools used to understand the cultural communication patterns are:

communication styles (e.g., low- versus high-context, emotionally restrained versus emotionally expressive, direct versus indirect, linear versus circular, self-effacing versus self-aggrandizing) (Ting-Toomey, 1999; Saphiere, Mikk, & Devries, 2005)

- nonverbal communication (e.g., use of time, touching, gestures, facial expressions, voice pitch, eye contact (Knapp & Hall, 2005; Ting-Toomey, 1999))

- value orientations (e.g., collectivistic versus individualistic, particularistic versus individualistic, status, high- versus low-power distance) (Fiske, 1992; Hofstede, 2001; House, Hanges, Javidan, Dorfman, & Gupta, 2004; Kluckhohn & Strodtbeck, 1961; Trompenaars & Hampden-Turner, 1993; Schwartz, 1994)

- interaction rituals (e.g., turn-taking in conversation, greetings and farewells) (Tannen, 1994; Ting-Toomey, 1999)

- conflict styles (e.g., controlling, direct, collaborative, avoiding) (Ting-Toomey & Oetzel, 2001; Hammer, 2003)

- cognitive styles (e.g., holistic versus analytical logic, objective versus subjective ways of knowing, dialectic versus integrative thinking patterns, doubting game versus believing game thinking patterns) (Riding & Rayner, 2000; Hayashi & Jolley, 2002; Nisbett, 2003; Elbow, 1973)

Given the extent of intercultural communication in which global leaders engage, competence in this area is a necessity. To global leadership, the field of intercultural communication competence contributes many valuable lessons, particularly the importance of:

- learning the expectations and communication practices of other cultures

- practicing mindfulness, empathy, perspective taking, and suspended judgment (which are all foundations for a global mindset)

- accepting that our way of viewing the world is unique to ourselves or our culture and learning to understand and value other views

- adapting to other cultures

- building relationships, handling stress, and switching communication styles as appropriate

- acknowledging that different competencies and skills are required in different contexts and situations.

Expatriation

Expatriates are employees who have been sent by their employers to reside and work outside of their home country to a related unit in a foreign country on temporary assignment, usually for a term(s) that lasts more than six months and less than five years (Aycan & Kanungo, 1997). The word 'expatriate' is used to refer to business people, diplomats, employees of international nonprofit organizations, military personnel, and missionaries among others. 'Self-initiated expatriate' or foreign worker is a newer term that refers to an individual who relocates voluntarily to a foreign country on his or her own initiative (independently of any employer and without organizational assistance) and is hired under a local, host-country contract (Crowley-Henry, 2007; Inkson, Arthur, Pringle, & Barry, 1997). International students are not technically categorized as expatriates because they lack an employer, but they share the experience of learning to adapt and function in another culture. For a recent review of expatriate research, see Dabic, González-Loureiro, and Harvey (2015).

Previously expatriates were typically sent abroad by organizations in industrialized countries. Today's expatriates flow in bilateral and multilateral directions, depending on the demand and supply of expatriates (Collings, Scullion, & Morley, 2007). For example, given the shift in economic power, rapidly growing economies such as China and India are using their new wealth to acquire firms elsewhere and thus sending out more expatriates to western countries (Tung & Varma, 2008). Globalization has also caused more "brain circulation" as people study and work in a foreign country and eventually move back home, with the option, however, of returning to their adopted country (Tung & Varma, 2008). Furthermore, there is less company loyalty among today's expatriates, who change employers more frequently. Due to the changing face of expatriation, the term itself has been replaced by 'global mobility and talent management' in many firms (McNulty, 2014).

Just as immersion in a foreign country is viewed as the most efficient and effective way to learn a language, an expatriate assignment has historically been viewed as the best way to develop global leaders. For example, when asked to name the most powerful experience in their lives for developing global leadership capabilities, 80 percent of those surveyed responded that it was living and working abroad (Gregersen, Morrison, & Black, 1998). Thus, Aycan (2001) addressed expatriation as an antecedent to global leadership development by proposing an expatriate acculturation model whose outcome variables were the following global leadership competences: business, technical, and managerial competencies, coping with uncertainties and conflicts, embracing and integrating multiple perspectives, communication competence, and motivating self and other to succeed. In addition, Osland (2001), based on her expatriate research, articulated the link between expatriate transformation and the following global leadership competencies: business savvy, continuous learning, managing uncertainty, cognitive complexity, behavioral flexibility, and cross-cultural skills. This belief in the crucial role of international assignments in developing global leaders prompted renewed interest in the nature of the expatriate experience, selection, adjustment, transformation, and effectiveness, which are summarized in the following paragraphs.

The Expatriate Experience

The intrinsic nature of an overseas assignment makes it a valuable opportunity for personal growth (Mendenhall & Oddou, 1985; Osland, 1995). In addition to supplementary, more important, and broader work responsibilities, expatriates generally have more independence and potential impact on operations than they do in a domestic job (Oddou & Mendenhall, 1988). The challenging nature of the experience leads many people to question their mental models and develop new ones, which contributes to a global mindset. For better or worse, expatriates are upended by concurrent changes in cultures, job context, and social support—a Petri dish for stress, accelerated learning, paradoxes, and personal transformation (Osland, 1995).

Paradoxes and contradictions are an inherent part of the cross-cultural experience. Paradox can be defined as "a situation involving the presence of contradictory, mutually exclusive elements that operate equally at the

same time" (Quinn & Cameron, 1988). Examples of expatriate paradoxes are "seeing as valid the general stereotype about the culture but also realizing that many host-country nationals do not fit that stereotype," "as a result of being abroad a long time, feeling at ease anywhere but belonging nowhere," and "possessing a great deal of power as a result of your role but downplaying it in order to gain necessary input and cooperation" (Osland, 1995). Expatriates dealt with these and other paradoxes by trying to understand the "foreign" side of the paradox, determining their role in the specific situation and whether they had an ethical right to take action, weighing the contingencies, discerning critical factors for success or effectiveness, picking their battles, accepting what they could not change, and learning from the experience so they could apply it to the next paradox (Osland, 2001). Wrestling with paradox helps develop cognitive complexity, the ability to manage uncertainty, and behavioral flexibility—all aspects of global leadership. The link between expatriation and global leadership development will be delineated more fully in Chapter 9.

Expatriate Selection and Adjustment

Despite uncertain results, some firms continue to select expatriates solely on their technical competence, past performance in a domestic setting, or willingness to go abroad (Mendenhall, Kühlman, Stahl, & Osland, 2002; Anderson, 2005; Graf, 2004; Tye & Chen, 2005). While technical skills are necessary, organizational and technical knowledge do not ensure expatriate success (Tung, 1981; Varma, Stroh, & Schmitt, 2001). Willingness to undertake an international assignment is a crucial component, since "no amount of training can prepare a reluctant candidate to do well abroad" (Tung & Varma, 2008: 369). However, willingness to go is merely a threshold requirement rather than a guarantee of success. Past performance in a domestic setting is not a good predictor of excellent performance overseas (Black, Morrison, & Gregersen, 1999; Miller, 1973). The strengths of many North American high-potentials actually translate into liabilities in the global context (Ruben, 1989). The characteristics that get US high-potentials noticed—"propensity for risk-taking, a passion or commitment to seeing the organization succeed, courage to go against the grain, and a keen mind" (Spreitzer, McCall & Mahoney, 1997) are usually found in hard-driving, self-motivated, assertive, and outwardly passionate and self-confident individuals (Mendenhall, 2001b). These qualities are not universally valued and may in fact lead to failure in other countries. The same findings may apply to high-potential employees of other nationalities.

After reviewing the literature, Kealey (2003) proposed that the "model cross-cultural collaborator" possesses three categories of non-technical skills: (1) adaptation skills (e.g., flexibility, stress tolerance), (2) cross-cultural skills (e.g., realism, cultural sensitivity), and (3) partnership skills (e.g., openness to others, professional commitment). Recent research has utilized the NEO PI-R, Five-Factor Model of personality (Costa & McCrae, 1992) to judge whether particular personality traits correlate with expatriate outcomes such as adjustment, effectiveness, and likelihood of completing their assignment. The results indicate that expatriates who are emotionally stable, outgoing and agreeable, open to experience (Shaffer, Harrison, Gregersen, Black, & Ferzandi, 2006), flexible, and not ethnocentric appear to function better than other expatriates (Caligiuri, 2000; Caligiuri & Di Santo, 2001). This research also indicated that selection practices should identify people who are motivated to attain assigned task goals and interact with others in the workplace and who show cultural flexibility (Shaffer et al., 2006; cf. Black, Gregersen, Mendenhall, & Stroh, 1999). Cultural flexibility is the ability to substitute activities enjoyed in one's native country with existing, and usually distinct activities, in the host country (e.g., baseball instead of cricket or vice versa). A meta-analysis of 30 studies identified these predictors of expatriate job performance: cultural sensitivity, local language ability, and four of the Big Five personality—extraversion, emotional stability, agreeableness, and conscientiousness (Mol, Born, Willemsen, & Van der Molen, 2005). Surprisingly, openness was not a predictor. Some variables were not measured in enough studies to provide conclusive evidence, but they seem promising: cultural flexibility, selection board ratings, tolerance for ambiguity, ego strength, peer nominations, task leadership, people leadership, social adaptability, and interpersonal interest (Mol et al., 2005). Cultural sensitivity, which was highly correlated with expatriate job performance, will be addressed in Chapter 4 using its more recent connotation—cultural intelligence.

Three categories of selection variables emerged from a landmark review of the expatriate adjustment literature (Mendenhall & Oddou, 1985): the self-oriented dimension (activities and attributes related to self-esteem, self-confidence and mental hygiene); the others-oriented dimension (activities and attributes enhancing the ability

to interact effectively with host-nationals); and the perceptual dimension (cognitive processes facilitating expatriates' ability to understand why foreigners behave the way they do). These categories served as the basis for the rigorously tested and validated (c.f., Bhaskar-Shrinivas, Harrison, Shaffer, & Luk, 2005) international adjustment (IA) model (Black, Mendenhall, & Oddou, 1991) and as the intercultural competence content domain of global leadership (Bird, Mendenhall, Stevens, & Oddou, 2010). The Global Competencies Inventory (see Chapter 6) that grew out of this expatriate adjustment research is used for both expatriate and global leadership selection.

Table 2.1 Individual Determinants of Expatriate Adjustment and Related Global Leadership Competencies

Expatriate Adjustment Determinants	*Related Global Leadership Competencies*
Self-efficacy	Personal literacy, optimistic
Resilience	Resilience, resourceful, energetic
Behavioral flexibility	Flexibility
Curiosity	Inquisitiveness, cultural interest
Extroversion	*No correlate*
Broad category width	Savvy
Flexible attributions	Cognitive complexity
Open-mindedness	Open-mindedness
High tolerance for ambiguity	Duality, cognitive complexity
Empathy/respect for others	Cultural sensitivity, social literacy
Nonverbal communications	Social literacy
Relationship skills	Social literacy, building partnerships
Willingness to communicate	Social literacy, constructive dialogue

The international adjustment model (Black et al., 1991) mentioned above included work adjustment, interaction adjustment, and general adjustment, and noted the impact of anticipatory adjustment prior to expatriation as well as in-country adjustment. Although this has been the most frequently referenced adjustment model in the literature, there are also numerous other adjustment models (for a review, see Takeuchi, 2010). Mendenhall (2001a) compiled the individual determinants of expatriate adjustment and compared them with findings from global leadership competency research. The results in Table 2.1 indicate conceptual similarity between expatriate adjustment determinants and global leadership competencies. All the expatriate adjustment determinants, with the exception of extroversion, relate to a subset of global leadership competencies. This provides evidence of similarity between these two fields and explains why expatriation is included in discussions of global leadership and its development. The overview of the global leadership literature in the next chapter indicates, however, that global leadership is more extensive and broader in scope than expatriate adjustment.

Expatriate Transformation

The developmental models of expatriate adjustment are more accurately called transformational models. Peter Adler (1975) developed a five-stage model comprised of (1) contact with the other culture, (2) disintegration, (3) reintegration, (4) autonomy, and (5) independence. Pederson described the transformation that occurs during culture shock as "a series of degeneration and regeneration events of crises in a nonregular and erratic movement of change" that is both conscious and unconscious as the person tries to be more successful in the other culture (Pederson, 1995: 4). Osland (1995) uses the framework of the hero's journey, with its stages of separation and departure, initiation, and return as a metaphor for expatriate transformation.

There are many reports, both anecdotal and empirical, of ways that expatriate change as a result of an international assignment. A US sample of repatriates reported four types of changes: positive changes in self, changed attitudes, improved work skills, and increased knowledge (Osland, 1995). The *positive changes in self* were increased tolerance, patience, confidence, respectfulness, maturity, open-mindedness, competitiveness, adaptability, independence and sensitivity, and decreased impulsiveness. The *changed attitudes* concerned a broader perspective on the world, greater appreciation of cultural differences, increased realization of how

fortunate they were, different attitudes toward work, and a feeling that life is more interesting now than before. These attitudes are indications of greater cognitive complexity. The improved work skills they mentioned referred to improved interpersonal and communication skills, especially better listening skills, improved management style, a better understanding of power, the ability to do higher-quality work, and broadened exposure to business. The increased knowledge they reported comprised a wide array of topics related to both global business and foreign countries. These findings confirm the original research by Oddou and Mendenhall (1991: 30), in which 135 expatriates were surveyed to discover the "value added" of their assignments: increased global perspective of their firm's business operations; greater planning ability; increased ability to communicate with people of diverse backgrounds; better able to conceptualize and comprehend business trends and events due to their exposure to contrasting cultural, political and economic work systems; and better motivators as a result of working with culturally diverse personnel overseas. These changes have much in common with these global leadership competencies discussed in Chapter 3: business savvy, continuous learning, ability to manage uncertainty, cognitive complexity, behavioral flexibility, and cross-cultural skills. The particular ways they change and the degree to which expatriates are transformed varies according to the individual expatriate, the type of adventure he or she sought overseas (Osland, 1995), and the type of assignment he or she held (Zacarro, Wood, & Herman, 2006).

Repatriates, however, showed agreement in their description of the transformation process itself—a process of letting go and taking on (Osland, 1995) that is summarized in Table 2.2. Many forms of transformation involve a death ("letting go") and rebirth ("taking on"). During their sojourn, expatriates let go of cultural certainty and take on the internationalized perceptions of the other culture. They learn how other countries perceive their nation, perhaps in ways that are not always favorable; and they learn that other countries have advantages their own do not. Thus, they begin to see their country's flaws and develop a more cognitively complex, realistic view of it, rather than the implicit faith and pride they had previously. One expatriate reflected, "I still love my country, but I certainly have a better understanding about why other countries don't think as highly of us."

Expatriates let go of their unquestioned acceptance of basic assumptions and take on the internationalized values of the other culture. Rather than taking their own cultural values for granted, contact with the other culture leads them to question the validity of their assumptions. At the same time, they may adopt, consciously or unconsciously, the values of the other culture, a natural part of the acculturation process (Berry, 1983). According to one expatriate, "I started to look at the world like the Colombians do and learned to not worry about things I cannot control." At the same time expatriates may be shedding some of their peripheral values, however, their core values (e.g., patriotism, religious values) become even stronger. As an expatriate reported, "I became more American while I was there. Even though I accepted the way things are there, it made me realize how American I really am."

Table 2.2 The Expatriate Transformation Process

Letting Go	Taking On
Cultural certainty	Internalized perceptions of the other culture
Unquestioned acceptance of basic assumptions	Internalized values of the other culture
Personal frames of reference	New or broader schemas so that differences are accepted without a need to compare
Unexamined life	Constructed life
Accustomed role or status	Role assigned by the other culture or one's job
Social reinforcement knowledge	Accepting and learning the other culture's norms and behaviors
Accustomed habits and activities	Substituting functional equivalents
Known routines	Addiction to novelty and learning

Source: Reprinted with the author's permission from J. Osland (1995) *The Adventure of Working Abroad: Hero Tales from the Global Frontier* (San Francisco, CA: Jossey-Bass), p. 141.

Expatriates let go of their personal frames of reference and take on new or broader schemas so that differences are accepted without the need to compare them to a cultural frame of reference. In the beginning of a sojourn, people naturally make comparisons between what they observe and what they know from home, their frame of reference. Over time, that frame is expanded to include the new culture, and eventually well-adapted expatriates feel no need for comparisons with home-country standards. Instead, they develop new schemas to organize their perceptions. "I used to make negative comparisons between the employees here and my subordinates at home; eventually I just began to appreciate the locals for who they are and stopped making any comparisons at all. They both have strengths and weaknesses."

Expatriates let go of an unexamined life to take on a constructed life that they themselves put together piece by conscious piece. The surprises, changes and contrasts (Louis, 1980) trigger introspection and an examination of their life in many expatriates. In some cases, it is difficult to replicate the life they had prior to expatriation. Thus, expatriates, and spouses in particular, are compelled to create a new life for themselves after carefully considering what to include. As an expatriate noted, "My wife had nothing. I mean, she woke up and had no structure to her day. She really had to construct her life, and fortunately [she] did it."

Expatriates let go of their accustomed role or status and take on the role assigned by the other culture or by their job. Being a manager in a high-power distance, authoritarian culture entails a higher-status position than being a manager in a low-power, egalitarian culture. Regardless of their position, they are a stranger in a foreign land and may be stereotyped in negative ways for their inability to speak the language or for their nationality. Thus, they have to learn to handle the roles assigned to them and still maintain their own sense of identity.

Expatriates let go of the social reinforcement knowledge from their own culture and take on the other culture's norms and behaviors. Beginning at a young age, people learn how to behave appropriately or to obtain desired reactions in their own culture. Some of that knowledge becomes irrelevant in another culture, and expatriates have to give up some of their own cultural scripts to adopt those of the other culture. This involves both acceptance and learning. As one expatriate commented, "I know how to get things done in my own culture, but they [tactics] don't work here and I had to figure out new tactics, whether I wanted to or not."

Expatriates let go of accustomed habits and activities to take on substitutes that are functionally equivalent. This is similar to the cultural flexibility mentioned above. It is not possible to engage in the same activities and hobbies found at home, so many expatriates take on replacements that serve the same function. Rather than bemoan the loss of her symphony choir at home, one expatriate simply learned whatever instrument would allow her to continue playing music with others in each foreign country.

Finally, expatriates let go of their known routines and take on novelty and learning. The comfort and security of one's own culture is replaced by the uncertainty and surprises of the other culture. Well-acculturated expatriates learn to value this novelty and are energized by the endless opportunities to learn. "As one expatriate described it, living abroad is like returning to childhood when every day brings novel adventures and something new" (Osland, 2001: 151). Osland (2001) identified the impetus behind expatriate transformation as their desire to become acculturated, to fit into another cultures, and to be effective at work, which leads us to the next topic, expatriate effectiveness.

Expatriate Effectiveness

Neither companies nor scholars have been completely clear or in agreement on what constitutes expatriate effectiveness (Harrison, Shaffer, & Bhaskar-Shrinivas, 2004; Shaffer et al., 2006). "Corporations have defined it as accomplishment of assignment objectives, attrition rates or increased revenues, but few have systems in place to track these outcomes and attribute them to individual assignees" (Shaffer et al., 2006). Scholars have measured effectiveness in terms of adjustment (Black, 1988; Black, Mendenhall, & Oddou, 1991), the strength of their plans or decisions to go home early without completing their assignment (withdrawal cognitions) (Black & Gregersen, 1990; Naumann, 1992; Takeuchi, Yun, & Tesluk, 2002), and job performance (Arthur & Bennett, 1997). The core aspects of job performance for expatriates are fulfilling specific task requirements and

developing and maintaining relationships with host country nationals (Harrison & Shaffer, 2005: 1455). While these two facets—task and relationship—are especially important for expatriate effectiveness, there is still uncertainty about what tactics are needed to achieve work goals and develop social relationships with strangers in an unfamiliar culture.

Results of Expatriation

Caligiuri and Di Santo (2001) studied what companies hoped to accomplish via expatriation. They asked several focus groups consisting of a total of 36 global HR managers and 14 line managers in a global business unit this question: "What is your organization hoping to develop in employees sent on global assignments?" Content analysis on the answers yielded eight developmental goals of global competence, which were subsequently categorized as knowledge, ability, or personality-related. In addition to reducing ethnocentrism, the other goals involved increasing:

the ability to transact business in another country

the ability to change leadership style based on the situation

knowledge of the company's worldwide business structure

knowledge of international business issues

the network of professional contacts worldwide

openness

flexibility

The researchers then surveyed three groups in three different firms to discover how they rated themselves on the eight categories. Group members were all current or former participants in the firms' global leadership development program: (1) "prepatriates" who were selected for the programs but who hadn't yet been sent abroad; (2) expatriates who were currently abroad; and (3) repatriates who had returned home after an international assignment.

The results indicate three findings. First, some personality traits, like flexibility and level of ethnocentrism, did not change as a result of a global assignment. No significant differences were revealed in these two traits, which is not surprising since personality traits tend to be stable enduring patterns of how individuals feel, think and behave over time (Buss, 1989; Costa & McCrae, 1992). Because most global leadership models include personality traits, this finding highlights the importance of careful selection procedures. Second, knowledge can be developed as a result of global assignments, which was indicated by higher scores in reported knowledge of professional contacts worldwide and the company's worldwide business structure. Third, global assignments can sensitize individuals to the challenges of working abroad and increase their humility. Surprisingly, prepatriate scores were significantly higher than those of expatriates or repatriates for openness, ability to transact business in another country, ability to change leadership style, and knowledge of international business issues. Presumably, an international experience made expatriates and repatriates aware of what they do not know (Caligiuri & Di Santo, 2001). To use the conscious competence learning model (Howell & Fleishman, 1982), prepatriates could be categorized in the "unconscious incompetence" quadrant, whereas the expatriates and repatriates may well have advanced to the "conscious incompetence" quadrant. This underscores the learning and cognitive change that takes place in global assignments.

The study of expatriation makes numerous contributions to the field of global leadership and its development, including findings on antecedents, selection, adjustment, effectiveness, expatriate transformation, and the inherent paradoxes that lead to the development of a global mindset.

Global Management

While traditional expatriate managers concentrate on a single foreign country and their relationship with headquarters, global managers are responsible for understanding and operating in the worldwide business environment (Adler & Bartholomew, 1992: 53). One definition of a global manager is "someone who is assigned to a position with a cross-border responsibility, who needs to understand business from a worldwide rather than from a countrywide perspective, needs to balance potentially contradictory demands in the global environment and who must be able to work with multiple cultures simultaneously rather than with one culture at a time" (Cappellen & Janssens, 2005: 348). The study of global managers shares some similarity and overlap with the study of global leadership. Indeed, a major criticism directed at some of the early research on global leadership was that these roles and terms were used interchangeably (Osland, Bird, Mendenhall, & Osland, 2006). While acknowledging that global leaders both lead and manage, some definitions of global leadership stipulate that global leaders "facilitate positive change" (Mendenhall, Reiche, Bird, & Osland, 2012: 8). This requirement is based on Kotter's (1990a, 1990b) classic study of the difference between leaders and managers, which concluded that leaders, unlike managers, are change agents. There is no evidence to date that this distinction between domestic leaders and managers does not hold true in the global context. Some global managers may also be global leaders if they are change agents and build a global community with a unified purpose, but not all global managers are automatically global leaders. Titles alone do not guarantee leadership behavior. Nevertheless, there are interesting global manager research findings that hold lessons for global leadership.

As with global leadership, the literature on global managers comprises both empirical research and the expert opinion of people who work in the area. The global manager descriptions in this paragraph fall into the latter category. Weeks (1992) described the successful international manager as someone with knowledge of the business, high degrees of tolerance and flexibility, and the ability to work with people; these characteristics appear on our list in Table 2.1 for both expatriate adjustment determinants and global leadership competencies. Given the transnational structure they deemed necessary for global organizations, Bartlett and Ghoshal (1989) contended that effective global managers require the cognitive complexity to hold the matrix of a multistructured entity in their mind and be capable of reorganizing form to follow function as dictated by changing business demands. Adler and Bartholomew (1992) recommended that global managers be "cultural synergizers" while Bartlett, Doz, and Hedlund (1990) referred to them as "cross fertilizers" or "cross-pollinators." All these authors arrived at their conclusions after taking a serious look at globalization and what it meant for organizations and then extrapolating, relying on inductive reasoning, to determine what kind of managers were needed.

In contrast, the research that follows is empirical in nature. We can get some sense of who global managers are from a study of Finnish global managers with more than one expatriate assignment (Suutari & Taka, 2004). Their most typical career anchors (Schein, 1996) were "managerial competence" and "pure challenge." They also included "internationalism" as one of their top career anchors, which underscores how important it is to them to work in global jobs in global settings—and how difficult it may be for them to return to purely domestic work.

Two key questions regarding global managers are "What do they actually do, and is that different from domestic managers?" To answer the first question, scholars began by looking at the roles performed by domestic managers and Mintzberg's (1973) observation of managers as they went about their daily work. He explicated these managerial roles: monitor, spokesperson, leader, liaison, decision maker, innovator, and negotiator. Mintzberg noted, however, that not all managers perform the same roles in the same manner because there are four sets of variables that determine how they do their work: environment (differences in milieu, industry, and organization), job (difference in job level and function), person (differences in manager personality and style characteristics), and situation (differences in temporal and contextual features).

Not all scholars accept a universal theory of management or Mintzberg's managerial roles. Some research indicates that roles vary depending on national culture and the level of industrialization (Lubatkin, Ndiaye, Vengroff, 1997a, 1997b). An environmental difference noted in a study of Central American managers seemed to necessitate an additional managerial role. Observations of managers confirmed that they performed the roles identified by Mintzberg, but they also carried out a protector role with the government (Osland, 1991). This role involved keeping close tabs on potential governmental actions that would impact their business, trying to ward off detrimental legislation or regulations, and trying to craft special arrangements that would protect their firm from damage or risk even if the government did take action. Lobbyists and government liaisons might be more likely to perform this role in larger countries, but the social networks of the Central American managers allowed them to have advanced knowledge and to influence government actions in a way that was deemed different from the traditional liaison role.

Table 2.3 Global Managerial Roles

Informational Roles	
Monitor	Environmental scanning; information seeking and gathering; monitoring of organizational units' performance
Spokesperson	Information dissemination with internal and external stakeholders; figurehead and advocacy work on behalf of firm
Interpersonal Roles	
Leader	Motivation via coaching and team building and maintenance efficacious work culture; supervision of subordinates
Liaison	Boundary spanning, external networking, integrating relationships between external stakeholders
Action Roles	
Decision maker	Troubleshooting, decision making, facilitation of task completion
Innovator	Visioning, experimentation with new processes, brainstorming, responding to unforeseen opportunities
Negotiator	Deal making, managing conflict, strategy implementation, confrontation with internal and external stakeholders

A research team at the Center for Creative Leadership found significant differences in how domestic and global managers perform their roles (Dalton, Ernst, Deal, & Leslie, 2002). They surveyed 211 managers of various nationalities who worked at four organizations (two Swiss, one Swedish, and one US). Based on Mintzberg's work and their research data, they developed and used seven managerial roles in their research, which appear in Table 2.3. The sample contained both global and domestic leaders, and the researchers tested a variety of factors related to managerial effectiveness (e.g., personality) and surveyed their bosses about their effectiveness. The findings indicated both similarity and difference between global and domestic leaders; the research team attributed the differences to the complexity of the global environment. "The patterns of traits, role skills, and capabilities global managers need to be effective are similar to that of domestic managers. The bosses of global managers say emotional stability, skill in the roles of leader and decision maker, and the ability to cope with stress are key components to managerial effectiveness regardless of the job's global complexity. In addition, bosses look to conscientiousness, skill in the role of negotiator and innovator, business knowledge, international business knowledge, cultural adaptability, and the ability to take the perspective of others as significant to the effectiveness of global managers" (Leslie, Dalton, Ernst, & Deal, 2002: 63). Emotional stability, decision maker and negotiator roles, and the ability to learn played a more significant role with global leaders than they did with domestic leaders. Surprisingly, previous international exposure and work did not contribute to the global managers' effectiveness, and the cosmopolitan managers were not viewed as trusted or well-liked by their peers and other colleagues, according to their bosses' perceptions (Leslie et al., 2002). As one would expect, the selection criteria utilized in this study did not stipulate leadership roles or abilities. While future research may discover that their findings also apply to global leaders, we cannot make this assumption a priori.

The shared platform between domestic and global jobs plus the additional demands placed on global managers was confirmed in another study that interviewed 55 CEOs from various industries in 15 countries (McBer,

1995). Participants described critical incidents that were content analyzed to identify the factors that predicted effectiveness in global managers. Three of the competencies they identified were deemed universal and thus shared by both global and domestic managers: sharpening the focus, building commitment, and driving for success. However, they also identified three competencies that varied depending on the cultural context: business relationships, the role of action, and the style of authority.

The research of Spreitzer, McCall, and Mahoney (1997) was guided by their belief that critical skills for managers are learned from experience. Therefore, the ability to learn should be a selection criterion when companies hire or promote international managers. They developed an instrument for early identification of international executives, called Prospector, which included two categories of behaviors and competencies for international managers (expatriates or executives in an international job). The learning-oriented behaviors are: uses feedback, seeks feedback, cross-culturally adventurous, seeks opportunities to learn, is open to criticism, and is flexible. The competencies are: sensitive to cultural differences, acts with integrity, committed to success, has broad business knowledge, brings out the best in people, is insightful, has the courage to take a stand, and takes risks. International managers were more likely to be described as effective if they were cross-culturally adventurous and insightful, sought opportunities to learn, and were open to criticism (Spreitzer et al., 1997).

The Corporate Leadership Council (2000) surveyed some of its corporate members on issues relating to developing and retaining future global leaders. They identified the six global management skills in highest demand, some of which are focused on specific tasks. This list includes: intercultural adaptability, ability to develop individuals across diverse cultures, global strategic thinking, global team building, ability to start up business in new markets, and ability to interact with local political interests.

A comparison of global manager and global leader competencies will no doubt show areas of overlap since many of the competencies mentioned in this section appear in Table 2.1. The key lessons from the study of global managers are the significant differences between domestic and global managers in terms of how they perform their roles and the findings on characteristics related to perceived effectiveness.

Comparative Leadership

The field of comparative leadership studies the differences and similarities in the indigenous leadership styles of different countries or regions. Leadership schemas and behaviors, as well as perceptions of what constitutes effective leadership, vary from one culture to another. Comparative leadership studies often measure the different styles in the leadership continuum mentioned in Chapter 1 across cultures or rely on cultural value dimensions (Parsons & Shils, 1951; Kluckhohn & Strodtbeck, 1961; Hall & Hall, 1990; Hofstede, 1980; Fiske, 1992; Schwartz, 1994; Trompenaars & Hampden-Turner, 1993) to identify or distinguish national or regional leadership styles and practices. The word 'leader' has different connotations in different languages. For example, the term conjures the positive image of a heroic figure in Anglo-Saxon countries but brings to mind the negative image of dictators in countries like Germany and Spain (Den Hartog & Dickson, 2004). In the Netherlands, the term for the equivalent of followers or subordinates (medewerkes) translates as 'coworkers,' is reflective of its more egalitarian culture (Dickson, Den Hartog, & Castaño, 2009).

Researchers discovered national differences in leadership characteristics, such as leader status, goals, role, communication, influence, decision making, and perceived effectiveness. For example, cultures characterized by large power distance tend to have autocratic leaders and followers who are less likely to challenge or disagree with them (Adsit, London, Crom, & Jones, 1997). Therefore, participative management techniques imported from low power distance cultures may not be appropriate (Newman & Nollen, 1996). In a study of a Russian factory, participative management actually decreased rather than increased productivity (Welsh, Luthans, & Sommer, 1993). Participative leadership is still not culturally endorsed in Russia as much as in other countries (House et al., 2004). Asking for advice and input may be interpreted as incompetence or weakness in cultures in which leaders are supposed to be omnipotent experts. In collectivist cultures, followers are more likely to identify with leaders' goals and the group or organization's shared vision (Earley, 1980; Triandis, 1995). Thus, they are more likely to exhibit a higher degree of loyalty than people from individualistic cultures who tend to place more value on personal goals and self-interest. For reviews on leadership from a cross-cultural perspective, see Gelfand, Erez, and Aycan (2007), Aycan (2008), Dickson, Den Hartog, and Castaño (2009), and Takahashi, Ishikawa, and Kanai (2012).

Culture is not the only source of differences in national or regional leadership patterns. A country's unique history, geography, economic development, technological status, and institutions all influence leadership patterns. Behrens (2009), for instance, takes a multidisciplinary view (economics, history, literature) to describe management and leadership in Argentina, Brazil, and the United States. Cheung and Chan (2005) used a similar approach to explain the foundations of eminent Hong Kong Chinese CEOs.

Many comparative leadership studies measure well-established frameworks of leadership styles across cultures. Despite documented national differences in leadership, research findings also point out commonalities. A large comparative study that examined how managers from 47 countries handle routine work events found both cultural differences and similarities (Smith, Peterson, & Schwartz, 2002). Bass (1997) found another similarity in comparative leadership studies—laissez faire leaders are perceived as ineffective by their subordinates. Aspects of charismatic and transformational leadership—motivational, encouraging, communicative, trustworthy, dynamic, positive, confidence building—are universally preferred (Den Hartog, House, Hanges, Ruiz-Quintanilla, Dorfman, & GLOBE, 1999).

The most extensive comparative leadership contribution to date comes from Project GLOBE (House et al., 2004; Dorfman, Javidan, Hanges, Dastmalchian, & House, 2012). A multinational research team, numbering over 200 members, studied the relationship among leadership, societal values, and organizational culture in phases 1 and 2. They obtained data on indigenous leadership from over 17,000 middle managers in 62 countries representing 951 organizations in the telecommunications, food, and banking industries in their own countries. The researchers developed a new cultural framework, composed of nine dimensions: performance orientation, assertiveness, future orientation, human orientation, institutional collectivism, in-group collectivism, gender

egalitarianism, power distance, and uncertainty avoidance (Javidan & House, 2001). Subsequently, the managers' responses on these dimensions were used to categorize the 62 countries into ten culture clusters. These clusters reported different 'culturally endorsed implicit leadership theories': charismatic/value-based; team-oriented; participative; humane-oriented; autonomous; and self-protective. Thus, the cultural dimensions were shown to influence expectations of leaders.

Project GLOBE also found that different countries have both similar and different views on leadership. As shown in Table 2.4, they identified a list of leader attributes that are universally acceptable, universally unacceptable, and culturally contingent (i.e., they work in some cultures but not in others) (Den Hartog et al., 1999). Similar business conditions and practices, technology, more well-educated employees, and the presence of multinational enterprises may be responsible for at least partial convergence on leadership views. Based on their findings about cultural differences and diverse leadership profiles, GLOBE researchers hypothesized that global leaders require a global mindset, tolerance of ambiguity, and cultural adaptability and flexibility (Javidan, Dorfman, de Luque, & House, 2006), but they did not study global leaders directly.

Phase 3 of Project GLOBE (Dorfman et al., 2012) investigated whether national culture influences executive leadership processes They interviewed and surveyed over 40 CEOs in 24 countries and also surveyed 1,000 CEOs and 5,000 of their direct reports. Their findings indicate that:

1. National culture does not predict leadership behavior, but it does influence leadership expectations. Leaders tend to behave in a manner expected in their country. Thus, "Roman leaders lead in a manner expected in Rome" (Dorfman et al., 2012: 514).

2. Leaders are more likely to be perceived as effective if their behavior fits their country's leadership expectations. Thus, "Roman leaders damn well best do as the Romans do" (Dorfman et al., 2012: 514).

3. There are universal, consistent leadership actions that lead to effectiveness and success. The charismatic value-based leadership profile, which includes developing a vision, inspiring others, demonstrating integrity, being self-sacrificing as well as decisive, and creating a performance-oriented culture, was universally valued as shown by high ratings in most organizations. Thus, "When in Rome and you don't know what to do, exhibit charismatic/value based leadership" (Dorfman et al., 2012: 514).

4. Both the fit and degree of leadership behavior determine effectiveness. Furthermore, different patterns of behavior are found in CEOs at different levels of effectiveness. CEOs who *fail to match* society's expectations of an idealized level of leadership have less-dedicated top management teams (TMTs) and underperforming corporations. CEOs who *match* their society's expectations regarding leadership tend to have reasonably dedicated top management teams and reasonably successful corporation performance. But CEOs who *exceed* their societal leadership expectations produce superior results (highly dedicated top management teams and high corporate performance). Charismatic and team-oriented leadership predicted and led to both TMT dedication and firm performance. Participative and humane leadership predicted TMT dedication but not firm performance. Thus, with respect to leadership effectiveness, "Woe be to the CEO that falls short of society's expectations" (Dorfman et al., 2012: 514).

Table 2.4 Project GLOBE Leadership Traits

Universally Acceptable Traits	*Universally Unacceptable Traits*	*Culturally Contingent Traits*
Decisive	Ruthless	Enthusiastic
Informed	Egocentric	Self-sacrificial
Honest	Asocial	Risk-taking
Dynamic	Non-explicit	Sincere
Administratively skilled	Irritable	Ambitious
Coordinator	Non-cooperative	Sensitive
Just	Loner	Self-effacing
Team builder	Dictatorial	Compassionate
Effective bargainer		Unique

Dependable	Willful
Win—win problem solver	
Plans ahead	
Intelligent	
Excellence-oriented	

Source: Based on Den Hartog et al. (1999).

The selection criteria for Project GLOBE did not include evidence of global leadership roles or skills since this was not their focus. However, the universal attributes they identified and the leadership styles most linked to CEO effectiveness are very helpful to global leaders and warrant further research with samples of effective global leaders.

A major contribution of comparative leadership to the field of global leadership is the understanding that national leadership styles have certain aspects in common as well as many differences rooted in culture or a country's unique history. Therefore, when global leaders have followers from different cultures, they have to be prepared to switch styles based on the situation and the people involved (Gill & Booth, 2003).

Global Leadership as an Evolutionary Field

Perhaps you noticed the absence of leadership as one of the multidisciplinary roots of global leadership? Ironically, these research areas have developed along non-overlapping paths. International management (IM) scholars, rather than leadership scholars, have produced most of the research on global leadership. Because IM scholars were already well-versed in the study of culture and comparative leadership, they were fascinated by the global context and the competencies it demanded of global leaders; they perceived and approached global leadership as a new phenomemon. The goal of IM scholars was "to better understand the global context and how leaders navigated the challenges of that context rather than to explore extant theories of leadership in a newly emerging context" (Reiche, Bird, Mendenhall, & Osland, 2017). Historically, the field of leadership seldom considers the role of context (Liden & Antonakis, 2009). Thus, the leadership scholars who globalized their research generally did so by turning to the field of comparative leadership, producing very useful findings, as we saw in the Comparative Leadership section of this chapter. However, if we simply extend the study of leadership by incorporating culture, we fail to capture the entire phenomenon of global leadership. Similarly, if we focus only on the global context and global leadership findings without taking into consideration the extensive leadership literature, we are also in danger of taking a myopic approach. Thus, there have been recent calls for the further integration of the two areas of study (e.g., Herman & Zaccaro, 2014; Osland, Li, & Mendenhall, 2014) and some attempts at integration (Herman & Zaccaro, 2014; Tolstikov-Mast, 2016; Reiche, Bird, Mendenhall, & Osland, 2017).

Not all global leaders are found in the business sector, but the globalization of the business sector did trigger a great deal of research. Therefore, another way to understand how global leadership evolved is through Bird and Mendenhall's (2016) quasi-historical review and the trajectory of cross-cultural management to global leadership. After World War II, the field of cross-cultural management often took a comparative approach, but it viewed and researched culture in fairly simplistic ways. This period, "the positioning of cross-cultural management research," was characterized by two beliefs that were subsequently shown to be mistaken: 1) the hegemony of the US economy prompted some scholars to assume that US management should be imitated worldwide; and 2) the view that industrialization and 'technological imperative' would result in the convergence of common manufacturing and management practices all over the world.

Bird and Mendenhall (2016) called the next period, 1960–1980, 'the rise of international.' Large, especially US, firms turned to overseas markets for growth. Scholars and companies saw headquarters in a dominant position with a control function over what they termed "foreign" subsidiaries. Businesses and scholars alike had a unidimensional one-way approach: for example, knowledge was transferred by expatriates to locals and expatriates were helped to adjust to locals, but not vice versa. Culture differences were recognized, but more emphasis was placed on what values and practices they shared in common. The later years of this period were characterized by two major changes in the environment. First, Japan's business fortunes increased, making US companies less competitive and US management theories less attractive. As a result, there was a great deal of research interest in Japanese manufacturing and management practices. Second, the growth of computers and telecommunications meant that companies were doing business in many more countries and in a more interdependent manner. This introduced an era in which culture became even more important.

Bird and Mendenhall (2016) termed the 1980 to 2000 years "the rise of culture." Business structures became more multinational during this era of regional and matrix organizations. New demands were placed on expatriates who were expected to be more engaged; this resulted in a raft of research on expatriate effectiveness. At the same time, more and more countries (e.g., the BRIC countries) gained greater importance as global players, causing more interest in their culture and practices. The work of many global managers was becoming more transnational, demanding global leadership skills that were first studied in the 1990s. New organizational structures and work processes led to a decrease in managerial control and an increase in shared values and an interest in cultural awareness. Hofstede's (1984) seminar work received enormous attention from

scholars as well as practitioners and paved the way for the development or acceptance of other cultural value frameworks (Hall, 1966; Kluckhohn & Strodtbeck, 1961; Schwartz, 1994; Trompenaars & Hampden-Turner, 1993). Thus, looking at phenomena from a global contextual orientation became well entrenched.

The final era, 2000 to the present, was named 'the rise of global' (Bird & Mendenhall, 2016). Employees and leaders are involved in global teams, global projects, and global operations and supply chains. More expatriates have regional or multi-country responsibilities instead of a one-country focus. Emerging economies have assumed great importance, which means an even larger number of countries in play. While the focus and span of their work may have changed to become more global, the global leader's location is not necessarily 'global.' More and more leaders have global responsibilities without ever changing their address or moving from their home country. More global leaders supervise direct reports from many countries. The study of culture itself has become more complex to include nuances based on context, social attributions, and cultural schemas (Osland & Bird, 2000) and a polycultural view (Morris, Chiu, & Liu, 2015; Sackmann & Phillips, 2016), meaning that individuals have multiple, partial, and dynamic cultural affiliations rather than belonging in one static cultural category. Another difference in this era is that we can observe more two-way relations or multidirectional emphasis in global business in the form of an increasing reliance on shared leadership and networks and multidirectional knowledge transfers. Thus, since World War II, there has been growing movement away from the control and dominance of the early years of internationalization to today's global emphasis and greater understanding and respect for global business partners and coworkers. However, one should not expect to find the same trends across the entire political sector due to the current backlash against some aspects of globalization, in particular the increased flow of people across national borders. Thus, global leadership can evolve in different ways in different sectors. Regardless of sector, over time, the global demands on leaders and their roles have also evolved, as you will see in the following chapter.

Thanks to the groundwork laid in the fields of intercultural communication competence, expatriation, global management, and comparative leadership, the nascent field of global leadership has strong supportive roots. The next chapter details the growth of global leadership as a field of study in its own right.

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An Overview of the Global Leadership Literature

JOYCE S. OSLAND

Your life is your message. Leadership by example is not only the most pervasive but also the most enduring form of leadership. And because the world is becoming more interconnected, standards of leadership have an impact that extends around the globe. Now, as never before, a higher standard of leadership will serve us all.

—Keshavan Nair (1994), author

A Higher Standard of Leadership: Lessons from the Life of Gandhi

History is graced with leaders who fit most people's definition of global leaders—political leaders like Mahatma Gandhi, military leaders like Alexander the Great, and spiritual leaders like Mother Theresa—whose impact and followers extended far beyond the borders of their own country. Such famous figures often capture the imagination and loyalty of a broad audience due to the confluence of their unique vision and its relevance to the environmental context. Difficult times demand constructive leaders just as surely as destructive leaders create difficult times. Today's global leaders, however, are not necessarily famous; there are more and more of them performing less-visible leadership roles in an increasingly complex, ambiguous, multicultural environment. Business CEOs with reputations as thought leaders or change agents on a global scale are perhaps the first group that comes to mind for business students and practitioners. However, people who integrate acquired companies into large transnational firms, who command coalition forces in the military, who run global nonprofit organizations, and who lead multinational political organizations are all examples of current global leaders. Our definition of global leadership does not restrict global leaders to an organization's upper echelon, nor does a global job title qualify a person as global leader. Anyone in the public, private, and nonprofit sector who leads global change efforts or fits our proposed definition of global leadership, repeated below, is a global leader.

> Global leadership is defined as the processes and actions through which an individual influences a range of internal and external constituents from multiple national cultures and jurisdictions in a context characterized by significant levels of task and relationship complexity.

Businesses that are extending their reach globally, merging or partnering with foreign companies, sourcing, manufacturing or selling products globally, and employing a global workforce all have need of global leaders. Figuring out what global leadership looks like and how it can be developed was the impetus for much of the literature we will review in this chapter.

Discussions of global leadership often begin by distinguishing how their role differs from that of domestic leaders (see Osland, Bird, & Oddou, 2012), international and expatriate leaders, and global managers, as introduced and described in Chapter 2. Early definitions of global leadership borrowed and extrapolated traditional, domestic leadership definitions (Yeung & Ready, 1995), but scholars quickly recognized that global leadership was far more complex than domestic leadership due to the pressures and dynamics of global competition (Weber, Festing, Dowling, & Schuler, 1998) that broadened the scope of the leader's work. Adler

was the first to acknowledge and distinguish among different types of leaders when she wrote,

> Global leaders, unlike domestic leaders, address people worldwide. Global leadership theory, unlike its domestic counterpart, is concerned with the interaction of people and ideas among cultures, rather than with either the efficacy of particular leadership styles within the leader's home country or with the comparison of leadership approaches among leaders from various countries—each of whose domain is limited to issues and people within their own cultural environment. A fundamental distinction is that global leadership is neither domestic nor multidomestic.

(Adler, 2001: 77)

Despite few examples of direct comparisons of global and domestic leaders (e.g., Huesing & Ludema, 2017; McCall & Hollenbeck, 2002), current thinking in the field maintains that global leaders are different from domestic leaders due to the unique and more complex demands of both their roles (Reiche et al., 2017) and the context in which they operate (Osland et al., 2012). For this reason, Osland and her colleagues (Osland et al., 2012) referred to global leadership as "extreme leadership" and made the following arguments for distinguishing between global and domestic leadership. Extrapolating from research findings showing differences between domestic versus expatriate work (Shin, Morgeson, & Campion, 2007) and between domestic and global managers (Dalton, Ernst, Deal, & Leslie, 2002), we should expect corresponding qualitative differences in global leaders' work and the knowledge, skills, and abilities (KSAs) it entails (Osland et al., 2012). Subsequent research found that, despite shared leadership similarities, there are differences of both degree and kind in global leader work (Osland, Bird, & Mendenhall, 2012). Traditional leadership does not mention one of the key global leadership competencies—boundary spanning—or emphasize to the same degree the competencies needed to deal with greater levels of complexity, ambiguity, connectedness, ethical challenges, and dealing with paradoxes and tensions (Osland et al., 2013). While the developmental process is similar, the developmental path for domestic and global leadership is not exactly the same because key developmental lessons for global leaders came from cultural experiences (McCall & Hollenbeck, 2002). The nature of global work also creates differences between domestic and global leadership (Huesing & Ludema, 2017).

The State of the Global Leadership as a Field

The first business survey pointing out the inadequate supply of global leaders was published in 1999 (Black, Morrison, & Gregersen, 1999), followed by a 2003 Rand study predicting scarcities in all sectors (Bikson, Treverton, Moini, & Lindstrom, 2003). Despite the rapid growth of global business in the intervening years, recent surveys still reach the same conclusion on global leader scarcity (DDI, 2015; Mallon, 2015). While the numbers are still inadequate, the perceived importance and need for global leaders has increased in business and other sectors (e.g., Ghemawat, 2012; World Economic Forum, 2013). We also know that some firms have had to curtail their global strategies due to the lack of global leaders (DDI, 2015; Mallon, 2015), and businesses are more cognizant of the need for a global leader pipeline. Nevertheless, companies and business schools are struggling to adequately prepare enough global leaders to meet the demand (Gitsham, 2008).

In recent years, we have seen an increasing number of global leadership training programs, consulting firms, academic centers, and courses (GLAC Benchmark Study, 2016). Scholars were slower to publish in this area, but the rate of global leadership publication has increased significantly of late. A comprehensive multidisciplinary review identified 181 academic journal articles, 31 scholarly book chapters, and 39 doctoral dissertations, totaling 251 published studies between 2010 and 2014 (Mendenhall, Li, & Osland, 2016). More high-quality empirical research is still needed, but the field is definitely advancing. Space limitations preclude covering all the research in the field, as attempted in past editions. Instead, this chapter includes the pioneering work in the field, a chronology of important foundational empirical research, a description of the different approaches in the global leadership literature, and a nod to new and promising avenues of research. Global leadership development research is addressed in Chapter 8, and responsible global leadership is covered in Chapter 12.

Global Leadership Literature Review—Pioneering Literature

As with the topic of global managers, prescriptions about global leaders come from a variety of sources, primarily expert opinion and empirical research. Our journey through the literature begins with the earliest publications in the 1990s—extrapolations from the domestic leadership literature, interviews, focus groups, or observations from the authors' consulting or training experiences (Lobel, 1990; Kets de Vries & Mead, 1992; Tichy Brimm, Charan, Takeuchi, 1992; Rhinesmith, 1993; Moran & Riesenberger, 1994; Brake, 1997).

Lobel briefly reviewed early research on the managerial competencies for global leadership and noted the frequent mention of these relational characteristics: "flexibility, curiosity and openness to other ways of living and speaking, and nonjudgmental acceptance of cultural differences" (1990: 40).

Tichy and his colleagues wrote about "true globalists," as they called them, who have (1) a global mindset; (2) a set of global leadership skills and behaviors; (3) energy, skills and talent for global networking; (4) the ability to build effective teams; (5) and global change agent skills (Tichy, Brimm, Charan, Takeuchi, 1992). They believe, as we do, that the best global leadership systems develop people and the organization simultaneously. Training and developing future leaders, in the absence of organization development (OD) activities to enable the organization to function globally and take advantage of these leaders, makes their potential effectiveness more likely.

Kets de Vries and Mead (1992) developed a list of leadership qualities that included: envisioning, strong operational codes, environmental sense making, ability to instill values, inspiring, empowering, building and maintaining organizational networks, interpersonal skills, pattern recognition and cognitive complexity, and hardiness. They also noted a paradoxical quality in global leaders; on one hand, they are like chameleons, capable of reading social cues and signals and molding their behavior in response. On the other hand, they require a set of core values to guide and support them in whatever environment they may find themselves. Successful global leaders can balance the need for both without going native or fearing to lose their self-identity if they adapt to another culture. Moran and Riesenberger (1994) held a focus group with international managers who suggested several competencies that were categorized as attitudes, interaction, cultural understanding, and leadership.

Rhinesmith, a consultant, authored an insightful book, *A Manager's Guide to Globalization* (1993; 1996), based on his work with multinational corporations. He identified 24 competencies that he categorized as (1) Strategy and Structure; (2) Corporate Culture; and (3) People. Subsequently, Rhinesmith (2003) created a simpler model centered on global mindset, which he describes as fundamentally "making decisions with increasing reference points." In this model, global mindset has two components. The first is intellectual intelligence (which he relates to cognitive complexity). Intellectual intelligence entails both business acumen and paradox management, (which is similar to the previous discussion on expatriate paradoxes). Its second component is global emotional intelligence (which he relates to cosmopolitanism). Global emotional intelligence is comprised of cultural self-awareness, cultural adjustment, cross-cultural understanding, and cross-cultural effectiveness. Thus, global emotional intelligence involves both self-management and cultural acumen. Intellectual and global emotional intelligence are the basis for the global behavioral skills that make up the global manager's leadership style.

Rhinesmith believes that the paradoxes of global business are never fully resolved and put to rest. There will always be global-local tensions, for example, that must be continually balanced and managed. He suggests five steps for managing paradoxes: (1) identify the competing forces of the paradox (e.g., individual versus team; stability versus change; centralization versus decentralization; work versus family); (2) create a paradox management grid to show the positive and negative forces of the competing forces; (3) optimize, rather than maximize, your primary responsibilities by seeking win-win solutions; (4) include contradictions in your thinking by meeting with stakeholders likely to have opposing views; and (5) create paradox alarm metrics that

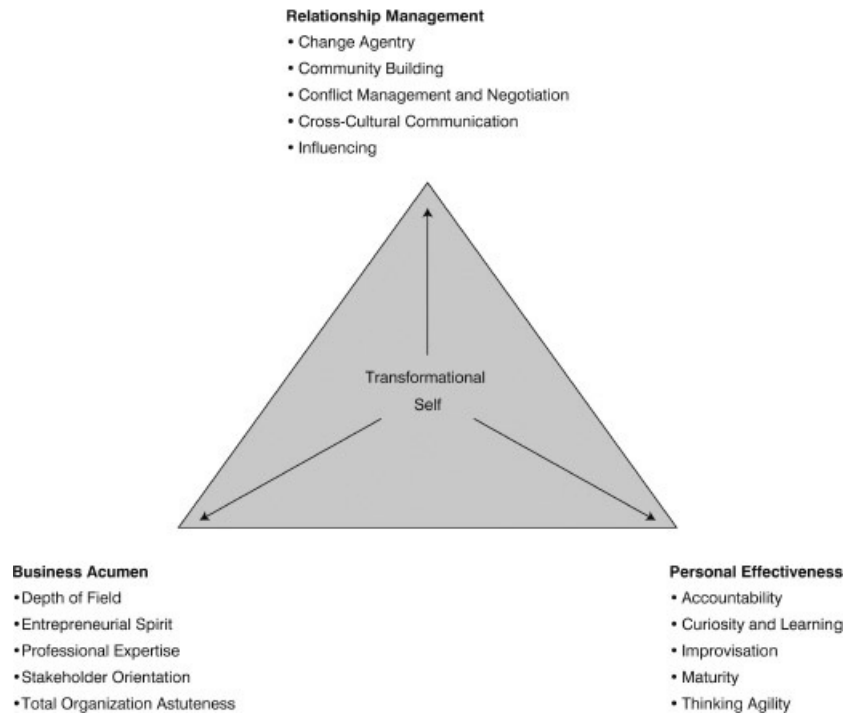sound when negative reactions build up (Rhinesmith, 2003).

Another consultant, Terence Brake, wrote a perceptive book, *The Global Leader: Critical Factors for Creating the World Class Organization* (1997), based on the global business literature and interviews with practitioners at leading firms. To think about the universal leadership process, Brake was guided by the image of Shiva, the Hindu deity who weaves together seemingly contradictory qualities and is sometimes portrayed with six faces that symbolize his many facets. Shiva has a third eye that enables him to see inward. "Shiva performs the Dance of Life that Shiva performs within a ring of fire. He is not consumed by the fire, but appears to draw on the energy of the fire for his own vitality" (Brake, 1997: 31). He sees global leaders as working in the center of a ring of fire that is global competition. They can either embrace the fire's energy to generate higher levels of performance or perish in the fire. The global leadership process that leads to higher performance consists of three steps (Brake, 1997: 31–32):

1. Framing the global competitive challenges as opportunities.

2. Generating personal and organizational energy.

3. Transforming energy into world-class performance.

Brake notes that global leaders sometimes have to unlearn what previously made their firm successful. He developed the Global Leadership Triad (Brake, 1997) (see Figure 3.1), which consists of three sets of competencies. Most of the individual competencies were discussed previously in this chapter or their meaning is obvious; definitions are provided below only for the exceptions, where Brake's meaning may vary from the readers'.

Business Acumen— "the ability to pursue and apply appropriate professional knowledge and skills to achieve optimal results of the company's global stakeholders" (Brake, 1997: 45). In this category, depth of knowledge refers to "demonstrating the willingness and an ability to switch perspectives between local and global/functional and cross-functional needs and opportunities" (Brake, 1997: 45). In today's language, this would be called global mindset. The stakeholder orientation balances the needs of both internal (e.g., functional areas) and external groups (e.g., customers, communities). Total Organizational Astuteness "demonstrates insights into "how the business works" above and beyond his or her immediate area and seeks to use this knowledge to get things done within and among organizational units." Brake's (1997: 47–48) description of this competency illustrates some of the deep organizational knowledge required in global careers:

1. Draws on a range of information-gathering skills to build a realistic profile of the global organization.

2. Creates or utilizes multiple internal networks for sourcing business intelligence, expertise, global best practices, and resources and for promoting coordination, and so forth.

3. Recognizes key organizational constituencies and decision makers and relies on political savvy to create alliances and foster collaboration to realize global goals.

4. Recognizes the assumptions and mental models entrenched in the organizational culture and articulates them when they need to be reviewed and questioned for change to take place.

5. Understands and fosters the continuous review of key organizational processes, systems, standard operation procedures, working methods, and so forth.

6. Demonstrates a good sense of timing in putting forward new ideas and proposals.

7. Analyzes key global trends and forecasts how they will impact organizational strategy, structure, and systems.

Relationship Management
- Change Agentry
- Community Building
- Conflict Management and Negotiation
- Cross-Cultural Communication
- Influencing

Transformational
Self

Business Acumen
- Depth of Field
- Entrepreneurial Spirit
- Professional Expertise
- Stakeholder Orientation
- Total Organization Astuteness

Personal Effectiveness
- Accountability
- Curiosity and Learning
- Improvisation
- Maturity
- Thinking Agility

Figure 3.1 Brake's Global Leadership Triad

Relationship management —"the ability to build and influence collaborative relationships in a complex and diverse global network to direct energy toward the achievement of business strategies" (Brake, 1997: 48). In this category, change agentry is both the openness to new ways of doing things and the ability to motivate others to identify and implement desired changes (Brake, 1997: 48). Community building is the willingness and ability to partner with others in interdependent relationships to accomplish business goals (Brake, 1997: 49).

Personal Effectiveness— "the ability to attain increasing levels of maturity to perform at peak levels under the strenuous conditions of working in a global enterprise" (Brake, 1997: 52). Brake's definition of maturity includes a sense of humor, self-confidence, and resilience, the ability to deal with crises and setbacks and recover quickly from mistakes.

At the center of the triad is the concept of the Transformational Self, "a philosophy of possibility and personal engagement with the world—that is, a drive toward meaning and purpose through activity strengthened by reflections, personal mind management, and openness to change" (Brake, 1997: 44). This is central to both domestic and global leadership in his view.

Kanter (1997) argued that global business leaders should be cosmopolitans who can integrate and cross-fertilize knowledge and manage dispersed centers of expertise, influence, and production. In addition to creating new communication routes, they need to move capital, ideas, and people to whatever world location they are needed. Dalton (1998: 386) wrote that global leaders should possess: (1) a high level of cognitive complexity to gather and understand contradictory information from multiple sources and to make effective decisions, (2) excellent interpersonal skills that would buy them time to figure out how to behave in a particular situation and country; (3) the ability to learn from experience; and (4) advanced moral reasoning to understand ethical dilemmas.

Petrick and his colleagues (Petrick, Scherer, Brodzinski, Quinn, & Fall Ainina, 1999) contended that two global leadership skills result in the corporation's reputational capital, an intangible resource for sustainable competitive advantage. The first skill is behavioral complexity, which is defined as the ability to balance four competing values and performance criteria: (1) profitability and productivity; (2) continuity and efficiency; (3) commitment and morale; and (4) adaptability and innovation (Denison, Hoojiberg, & Quinn, 1995). The second

skill is stewardship sustainable development, which involves acting as a responsible steward of human and natural resources and promoting, concurrently, economic, social, biological, and ecological development (Petrick et al., 1999: 61). By exercising these two skills, global leaders increase their firm's reputational capital, which is a component of social capital. Social capital, rooted in trust and common norms, reduces transaction costs among cooperative partners and accelerates global prosperity (Coleman, 1988; Petrick et al., 1999).

Other types of capital are also important for global leaders. In a conceptual article, Harvey and Noricevic argue that global assignments (i.e., expatriation and inpatriation) contribute to the development of four types of global leader capital (2004: 1177):

Human capital—the skills and competencies that leaders need to have based on expert and referent power in their organization.

Cultural capital—acceptance and social inclusiveness due to having tacit knowledge of how the organization operates.

Social capital—the standing and concurrent ability to draw on standing to accomplish tasks in an organization.

Political capital—the ability to use power or authority and gain the support of constituents in a socially effective way.

A global leader's political capital is crucial because it can be used to decrease the level of conflict among foreign subsidiaries and ensure that diverse views are represented. Politically skilled leaders also generate more support and acquiescence (Harvey & Novicevic, 2004).

Based on Asian-Pacific experience, a practitioner article describes global leadership capability as a "behavioral blend of cross-cultural competence combined with leadership skills" (Carey, Newman, & McDonough, 2004: 13). The authors' proposed core capability attributes and performance attributes appear below (Carey, et al., 2004: 16).

1. Inclusion—demonstrates vision that is inclusive and decision making that is collaborative.

2. Credibility—cultivates and inspires trust in a culturally diverse workforce, remaining consistent to their values.

3. Synergy—motivates and empowers diverse individuals; results in synergistic organizations.

4. Flexibility—adapts to global complexity and change.

5. Compassion—demonstrates empathy and sensitivity to diversity (different genders, cultures, races, and nationalities).

Alon and Higgins (2005) created a model of global business leadership success that depends on emotional intelligence and cultural intelligence, in addition to IQ and motivation. These antecedents lead to leadership behaviors and in turn, to domestic leadership success; but the authors argue that cultural intelligence has to moderate the path to global leadership success.

An Alternative to Individual Conceptions of Global Leadership

Dachler, an industrial and organizational psychologist, argued with great foresight in 1999 that global leadership could not be a simple extension of traditional local leadership conceptions that included requisite traits and expected behaviors for dealing with the complexity involved in working across different cultures (Dachler, 1999: 75). Instead, he maintained that "relational processes are at the heart of the meaning of global leadership—not individual attributes, cultural knowledge about "dos and don'ts," and prescribed behavioral patterns" (Dachler, 1999: 76). By relational processes, he meant the communication, mutual understanding or misunderstanding, conflict, trust, prejudgments, and power dynamics that take place within countries and a complex and evolving global context. Dachler saw the fundamental challenge of global leaders as understanding and dealing with multiple perspectives.

On the surface, this bears some relationship to current conceptualizations of perspective taking in global mindset, global competency, cultural intelligence, and social capital. However, Dachler's thinking diverges in two important ways. First, he perceived the challenges of global leadership as relational-social-societal processes and warned global leaders to beware of seeing themselves as "Subjects" who influence and shape their coworkers according to the leader's own interests and values, as if others were Objects in need of leading. He refers to this Subject-Object categorization as a symptom of Western consciousness. Second, failing to understand or ignoring the social processes of countries—for example, the role of language, deep-seated notions of leadership, power, control, and creating order in the creation of meaning, as they impact social actions— limits the potential of global leadership. As one example, ethical global leadership involves hearing and understanding the multiple, dominant, and marginalized voices within all cultures, including one's own.

Other Sources of Global Leadership Knowledge

In addition to research articles and books, there are numerous case studies and interviews that provide anecdotal descriptions of global leaders (e.g., McFarland, Senn, & Childress, 1993; Maruca, 1994; McKibben, 1997; Green, Hassan, Immelt, Marks, & Meiland, 2003; Marquardt & Berger, 2000; Bingham, Felin, & Black, 2000; Emerson, 2001; Wolfensohn, O'Reilly, Campbell, Shui-bian, & Arbour, 2003; Millikin & Fu, 2005; Nohria, 2009; Stahl & Brannen, 2013). For example, in an interview John Pepper, former CEO of P&G, came up with his own list of global leader competencies: dealing with uncertainty; knowing customers; balancing tensions between global efficiency and local responsiveness; and appreciating diversity (Bingham, Felin, & Black, 2000).

The ten *Advances in Global Leadership* volumes (Mobley, Gessner, & Arnold, 1999; Mobley & McCall, 2001; Mobley & Dorfman, 2003; Mobley & Weldon, 2006; Mobley, Wang, & Li, 2009; 2012; Mobley, Li, & Wang, 2011; Osland, Li, & Wang, 2014a; Osland, Li, & Mendenhall, 2016; Osland, Li, & Mendenhall, 2017) are a source of current thinking, practitioner lessons, empirical research findings, and implications for future research. Gill (2012), a political scientist, published an edited volume on the global crises and the crisis in global leadership. It is an analytical and normative treatise that questions current thinking on global crisis, leadership, democracy, justice, and sustainability in the emerging world order. For published reviews of the global leadership literature, see Hollenbeck (2001), Suutari (2002), Jokinen (2005), Mendenhall and colleagues (2008), Osland, Taylor, and Mendenhall (2009), Osland, Bird, Mendenhall, and Osland (2006; 2012), and of course, this chapter. Special issues devoted to global leadership, published in the *Journal of World Business* (2012), *European Journal of International Management* (2013), and *Organizational Dynamics* (2013) are indicators of growing academic interest in global leadership.

Foundational Global Leadership Research

As we transfer our attention to empirical research, let's take a moment to consider the foundational research in this field. All fields of study require foundational research that answers critical questions and forms the basis of progress and development, laying a trail for subsequent investigations. Table 3.1 shows examples of the foundational research that exists today in the field of global leadership. This list is composed of rigorous empirical studies or conceptual works based on extensive reviews of existing literature in refereed outlets. Their findings or arguments begin to answer basic questions concerning construct definition, the scope of global leadership tasks, competencies, assessment instruments, training and development, gender, and ethics. Many more questions remain, but it is encouraging to see this progress. The next section explains this foundational research (with the exception of the training and development and responsible global leadership research reviewed in other chapters) in addition to other key research findings.

Table 3.1 Examples of Foundational Global Leadership Research

Construct Definition	Mendenhall, Reiche, Bird and Osland (2012); Reiche, Bird, Mendenhall & Osland (2017)
Scope of Global Leadership Tasks	Caligiuri (2006); Osland, Oddou, Bird and Osland (2013)
Global Leader Behaviors	Huesing and Ludema (2017)
Competencies and Skills	Wills and Barham (1994); Black et al. (1999); Mendenhall and Osland (2002); Jokinen, 2005; Gitsham (2008); Bird, Mendenhall, Stevens, and Oddou (2010); Osland et al. (2013); Story, Youssef, Luthans, Barbuto and Bovaird (2013);
Assessment Instrumentation	Kets de Vries, Vrignaud, and Florent-Treacy (2004); Bird, Mendenhall, Stevens, and Oddou (2010); Bird and Stevens (2013); Cumberland, Herd, Alagaraja, and Kerrick (2016)
Women Global Leaders	Adler, 1997; 2001; Adler & Osland, 2016
Training & Development	McCall and Hollenbeck (2002), Oddou and Mendenhall (2012), Pless, Maak and Stahl (2011, 2012), Caligiuri and Tarique (2012); Terrell and Rosenbusch (2012); Li, Mobley and Kelly (2013; Tompson and Tompson (2013); Mendenhall, Weber, Arnadottir, and Oddou (2017)
Responsible Global Leadership	Pless, Maak and Stahl (2011; 2012), Miska, Stahl and Mendenhall (2013); Pless and Borecka (2014)

Source: Updated from Osland, Li, and Wang (2014b).

Approaches to Empirical Global Leadership Research

This chapter presents the empirical research in two ways. First, the chronology in Table 3.2 provides a time-based list so that you can understand how the field grew. Second, the research is categorized and explained in greater detail according to six main research approaches in global leadership—competency studies, women global leaders, job analysis, cognition, behavior, and typological theory.

The Content Approach—Global Leadership Competencies

Most of the early empirical work on global leadership attempted to answer these two questions: "What capabilities do global leaders need to acquire in order to be effective?" and "How can managers most effectively develop these characteristics?" The latter question is addressed in Chapter 10. The key research studies that answered the first question are explained in the following paragraphs.

Holistic Core Competence

One of the most insightful studies (Wills & Barham, 1994) was also the earliest. After interviewing sixty successful senior executives from nine global firms, Wills and Barham (1994) argued that international executives operate from a deep holistic core competence composed of three integrated parts: cognitive complexity, emotional energy, and psychological maturity. Cognitive complexity and the ability to understand other viewpoints were demonstrated by cultural empathy, active listening, and a sense of humility. Emotional energy was manifested by emotional self-awareness, emotional resilience, risk acceptance, and the emotional support of their family. This support served as a coping mechanism as well as a source of emotional energy that could be applied at work. Finally, psychological maturity implies the presence of a strong value system that gives their lives meaning. Wills and Barham (1994) identified the following three values as central features of the psychological maturity found in international managers: curiosity to learn, living in the "here and now" by taking full advantage of the present, and personal morality. They did not refer to their interviewees as leaders or global leaders since the latter term was not in use when they completed this work. Since the subjects were selected by their organization's human resource managers as highly successful and because they managed across a number of countries simultaneously, it is likely that many, if not all, of their subjects would fit today's definition of global leaders.

Eight-Nation Competency Study

Yeung and Ready (1995) produced the first quantitative study, using a sample of 1,200 managers from 8 nations in 10 major corporations (who were not necessarily global leaders themselves). The participants were presented with a list of competencies and asked to select those items that fit their description of global leaders. The capabilities on which they agreed were:

Articulate a tangible vision, values, strategy

Be a catalyst for strategic change

Be a catalyst for cultural change

Empower others

Results orientation

Customer orientation

Table 3.2 A Chronological List of Empirical Research on Global Leadership

Authors	Description	Method	Global Leadership Findings
Wills and Barham (1994)	Identifies success factors in international managers	Interviews with 60 successful senior international executives managing across multiple countries in 9 global firms from different countries and industries	Relatively unchangeable intertwined core of cognitive complexity, emotional energy, and psychological maturity might be more important than specific competencies or skills. Sub-themes include: cultural empathy, active listening, humility, emotional self-awareness and resilience, risk acceptance, family emotional support, curiosity to learn, live in here and now, and personal morality.
Yeung and Ready (1995)	Identifies leadership capabilities in a cross- national study	Surveys of 1,200 managers from 10 major global corporations and 8 countries	Capabilities: articulate vision, values, strategy; catalyst for strategic and cultural change; empower others; results and customer orientation.
Adler (1997)	Describes women global leaders in politics and business	Archival data and interviews with women global leaders from 60 countries	Their number is increasing and they come from diverse backgrounds; are *not* selected by women-friendly countries or companies; use broad-based power rather than hierarchical power; are lateral transfers; symbolize change and unity; and leverage their increased visibility.
Black, Morrison, and Gregersen (1999)	Identifies capabilities of effective global leaders and how to develop them	Interviews of 130 senior line and HR executives in 50 companies in Europe, North America and Asia and 40 nominated global leaders	Capabilities: Inquisitive, character, duality, savvy.
		Case studies	

and Forent-Treacy (1999)	excellent global leadership	interviews with 3 global leaders (CEOs)	of excellent global leaders. Identified best practices in leadership, structure, strategy, corporate culture.
Rosen, Digh, Singer, and Philips (2000)	Identifies leadership universals	Interviews with 75 CEOs from 28 countries; 1058 surveys with CEOs, presidents, managing directors or chairmen; studies of national culture	Leadership Universals: Personal, social, business, and cultural literacies, many of which are paradoxical in nature.
Kets de Vries and Florent-Treacy (2002)	Describes how global leaders develop and succeed	Field data from consultations and corporate action research projects in addition to 500 interviews with senior executives who participated in INSEAD seminars	Successful global leaders understand basic motivational need systems and stimulate the collective imagination of employees.
McCall and Hollenbeck (2002)	Identifies how to select and develop global executives and understand how they derail	Interviews with 101 executives from 36 countries and 16 global firms nominated as successful global executives	Competencies: open-minded and flexible; culture interest and sensitivity; able to deal with complexity; resilient, resourceful, optimistic, energetic; honesty and integrity; stable personal life; value-added technical or business skills.
Goldsmith, Greenberg, Robertson, and Hu-Chan (2003)	Identifies global leadership dimensions needed in the future	Thought leader panels; focus groups with 28 CEOs, focus/dialogue groups with at least 207 current or future leaders; interviews with 202 high potential next generation leaders; 73 surveys from forum group members	Fifteen dimensions: integrity, personal mastery, constructive dialogue, shared vision, empowerment, developing people, building partnerships, sharing leadership, thinking globally, appreciating diversity, technologically savvy, customer satisfaction, anticipating opportunities, leading change, and maintaining competitive advantage.
Bikson, Treverton, Moini, and Lindstrom (2003)	Examines impact of globalization on HR needs, global leadership competencies, and policies and practices needed to produce sufficient global	Structured interviews with 135 U.S. human resource and senior managers in public, for-profit, and non-profit sectors. Unstructured interviews with 24 experts on	Insufficient future global leader who have the required integrated skill repertoire: substantive depth in organization's primary business; managerial ability (especially teamwork and interpersonal skills); strategic international understanding; and cross-cultural experience.

	leaders	development policies and practices	
Kets de Vries, Vrignaud, and Florent-Treacy (2004)	Describes the development of a 360-degree global leadership feedback instrument	Based on semi-structured interviews with a number of senior executives	Twelve dimensions/psycho-dynamic properties: envisioning, empowering, energizing, designing, rewarding, team-building, outside orientation, global mindset, tenacity, emotional intelligence, life balance, resilience to stress.
Caligiuri (2006)	Analyzes global leader job tasks and then inductively proposes requisite competencies and ways to develop them	Based on a series of focus group meetings and surveys of leaders from European and North American firms and subsequent job analysis	Identified ten global leader tasks: work with foreign colleagues, external and internal clients; speak foreign language at work; supervise foreign employees; negotiate with people from other countries and abroad; develop worldwide strategic business plan; manage worldwide budget, risk, and foreign suppliers or vendors.
Gitsham and 13 supporting authors (2008)	Identifies changes in the external environment and the necessity to respond with capabilities and culture as well as policies and systems	Surveys administered to 194 CEOs and senior executives and interviews of 33 HR, sustainability and other thought leaders at firms participating in the UN Global Compact	Identified three clusters of knowledge and skills: *Context* (scan the environment, understand and take into consideration the risks and opportunities of environmental and social trends) *Complexity* (lead under complex and ambiguous conditions—be flexible, responsive to change, find creative solutions to problems, learn from mistakes, balance short and long term considerations, understand interdependency of actions and make ethical decisions). *Connectedness* (ability to understand actors in wider political landscape, build relationships with external partners and engage in stakeholder dialogue). Neither companies nor business schools are developing these skills effectively in employees or students.
Furuya, Stevens, Bird, Oddou, and Mendenhall (2009)	Examines antecedents and outcomes of expatriate effectiveness and individual learning of global management competencies during the expatriate assignment and transfer of those competencies in the repatriate assignment	Longitudinal study of 305 male Japanese repatriate managers from 5 large multinationals who were surveyed 3 times—pre-, during, and post-international assignments	Structural equation modeling identified linkages from organizational support, intercultural personality characteristics, self-adjustment, and repatriation policies to outcomes of global competency learning and transfer, which in turn lead to heightened job motivation and performance. Organizational support and higher pre-assignment scores in intercultural personality characteristics related to increases in individual learning and subsequent transfer of global competencies related to global leadership upon repatriation. Self adjustment, organizational support and supportive repatriate HR policies repatriate are positively related to global management competency transfer. Transfer is also associated with higher job motivation and work performance.
Caligiuri and Tarique (2009)	Measures predictors of self-perceived global leadership effectiveness	Surveys of 256 managers-directors from 17 countries identified as global business leaders in a UK-based firm	High-contact cross-cultural leadership development experiences, moderated by extroversion, predicted self-perceived effectiveness on ten global leader tasks.
	Measures	Surveys of 420 global leaders or international	Extroversion, openness and lower neuroticism combined

Caligiuri and Tarique (2009)	predictors of dynamic cross-cultural competencies and global leader effectiveness	executives from 41 countries and an assessment survey by 221 supervisors in 3 large multinational firms	with cultural experiences to predict dynamic competencies (cultural flexibility, tolerance of ambiguity and low ethnocentrism), which in turn predicted global leadership effectiveness. Certain developmental experiences (high-contact ones) are better than others and certain people (high in extroversion and openness) benefit more from those experiences.
Osland (2010)	Provides a case study of a global change effort illustrating expert cognition in global leaders	Cognitive task analysis combining critical incidents and hierarchical task analysis in interviews with 20 expert global leaders from different countries	Illustrates the typical sensemaking process, context and work approaches used by a global leader to resolve a critical, complex technological problem.
Bird, Mendenhall, Stevens, and Oddou (2010)	Defines the content domain of intercultural competence for global leaders	Reviewed and integrated prior expatriate and global leadership empirical and theoretical research to develop a domain definition	Identified three dimensions: 1) Perception management: nonjudgmentalness, inquisitiveness, tolerance of ambiguity, cosmopolitanism, and category inclusiveness 2) Relationship management: relationship interest, interpersonal engagement, emotional sensitivity, self awareness, and social flexibility 3) Self management: optimism, self-confidence, self-identity, emotional resilience and non-stress tendency, stress management, and interest flexibility.
Caligiuri and Tarique (2012)	Examines the effect of personality characteristics and cross-cultural experiences as predictors of dynamic cross-cultural competencies.	Surveys of 420 global leaders or international executives from 41 countries and an assessment survey by 221 supervisors in 3 large multinational firms.	Dynamic cross-cultural competencies predict global leadership effectiveness. To be effective, global leaders need high levels of both cultural flexibility and tolerance of ambiguity, and low levels of ethnocentrism required in jobs with complex international and multicultural responsibilities.
Osland, Bird, and Oddou (2012)	Provides an in-depth description of the work context of expert global leaders	Cognitive task analysis combining critical incidents and hierarchical task analysis in interviews with 20 expert global leaders from different countries	Describes the complexity and characteristics of expert global leaders' work context as managing multiplicities, huge challenges, precariousness, and ambiguity. The global context exerts a strong influence on the nature and development of global leader expertise and contributes to the distinction between domestic and global leaders.
Osland, Oddou, Bird and Osland (2013)	Provides an in-depth description of the way expert global leaders think about their work and develop expertise	Cognitive task analysis combining critical incidents and hierarchical task analysis in interviews with 20 expert global leaders from	Expert global leaders approach and think about their work in terms of these five categories: problem solving, strategic thinking, boundary spanning and stakeholders, influencing, and specific global skills. The global skills are: 1) "reading" people closely to gauge reactions and bridge communication gaps; 2) using mindful dialogue and active listening in meetings; 3) perspective taking; 4) engaging in conscious "code switching" to be effective in different situations; and 5) leveraging and managing culture appropriately and

		different countries	understanding when it does and does not matter. They identified different developmental paths to global leadership expertise.
Björkman and Mäkelä (2013)	Identifies factors explaining the willingness of individual employees to undertake challenging global leadership development activities	Surveys of 427 individuals from 14 multinational companies	The willingness to undertake on-the-job challenges is positively related to knowing that one has been formally identified as talented, identification with corporate values, and previous experience.
Story, Youssef, Luthans, Barbuto, and Bovaird (2013)	Investigates the impact that distance and quality of the relationship has on global leaders' level of positive psychological capital contagion effect on followers located around the world	Surveys of 79 global leaders and 229 of their direct reports in a *Fortune 100* multinational firm.	Contagion effect of positive psychological capital exists even at a distance with global team members. The quality of the relationship mediates this effect. Potential undesirable effects of distance seem to be buffered by the global leaders' positive psychological capital.
Vogelgesang-Lester, Clapp-Smith, and Osland (2014)	Examines the relationship between positive psychological capital and global mindset.	Archival data from undergraduate and master's level students in a U.S.-based global leadership laboratory course, employing the CGI and performance measures.	Positive psychological capital mediates the relationship between global mindset, namely, cosmopolitanism and cognitive complexity, and three critical global leader competencies: nonjudgmentalness, inquisitiveness, and performance.
Herbert, Mockaitis, and Zander (2014)	Investigates the relationship between cultural values and shared leadership preferences in global teams	A sample of 357 potential globally dispersed team members	A significant positive relationship between both horizontal individualism and horizontal collectivism and shared leadership preferences is identified. Significant differences in individual-level cultural values were found between Asian and non-Asian respondents. Shared leadership preferences exhibited fewer differences, suggesting the possibility for sharing leadership in multicultural teams.
Tucker, Bonial, Vanhove, and Kedharnath (2014)	Explores intercultural competencies and their relationship to global leadership performance criteria.	Surveys of 1867 global leaders, such as CEO's, general managers, function heads, of 13 nationalities	Identified a set of six intercultural competencies: respecting beliefs, navigating ambiguity, instilling trust, adapting socially, even disposition, and demonstrating creativity. Identified three global leadership success criteria: building team effectiveness, global networking, and driving performance.
Stensaker	Explores the role of global leadership development programs in developing	Nineteen qualitative interviews with senior managers, archival data,	GLD programs promote increased social capital and cross-border knowledge sharing under two conditions: if

Stensaker and Gooderham (2015)	developing corporate social capital and subsequent knowledge sharing across corporate divisions and national borders	archival data, and 18 real-time reports and 103 surveys of GLD participants in a Scandinavian company	participant selection relates to previous experience with leadership programs in other companies and if participants positively assess the outcomes of the program's groupwork. Carefully designed group formation and tasks that emphasize collaboration and teamwork promote social interaction.
Cumberland, Herd, Alagaraja, and Kerrick (2016)	Examines the literature on global leadership assessment and development	Identified and reviewed 98 articles or books chapters on global competency assessment and development from the last 15 years	Assessing and developing global leadership has continued to garner attention across many disciplines, but there remain many promising avenues for future studies. HRD professionals need to continually increase their knowledge regarding global leadership competencies and be able to identify which global competencies are needed for the various roles in their organizations.
Huesing and Ludema (2017)	Observes the behavior of global leader at work and identifies how they spend their time	Informal interviews, archival data and observations of 5 global leaders from 5 industries for 5 days	The findings were compared to Mintzberg's (1973) observational study on the nature of managerial work. Ten characteristics of global leader work were identified: 1) multiple time zones and geographical distance; 2) long hours; 3) flexible schedules and fluid time; 4) dependence on technology; 5) time alone connected to others; 6) extensive travel; 7) functional expertise with global scope; 8) facilitation of information, advice, and action; 9) management of complexity; and 10) confrontation of risk.
Shakir and Lee (2017)	Investigates how global leaders connect with people across cultures	Qualitative semi-structured interviews based on grounded theory with 26 multicultural global leaders	Results indicated that multicultural identity experiences equip global leaders with empathy, perspective-taking, and integration, which enables them to connect.
Osland, Ehret, and Ruiz (2017)	Examines expert cognition in large-scale global change initiatives	Two case studies of large-scale global changes plus cognitive task analysis interviews with the two leaders directing them	The cognitive demands on the expert global leaders were: 1) the systems thinking required to understand a complex global change; 2) the ability to track large amounts of data and interactions; 3) watching and listening closely to people in different cultures or functions to understand their perspectives, positions or levels of support; 4) reading and correctly interpreting the right cues and quickly adapting their behavior accordingly; and 5) handling ambiguity and stress. Findings also identified the cues and strategies employed for different elements of expert cognition and the perceived differences between expert and novice cognition.
Ikegami, Maznevski, and Ota (2017)	Explores the asset of foreignness and how global leaders can initiate and maintain it	Case study of the Nissan revival led by Carlos Ghosn, based on interviews with Ghosn and other senior leaders at Nissan and Renault and published interviews and assessments	Challenges the assumption of the liability of foreignness and explains how the asset of foreignness can break cultural norms when virtuous cycles are created among leaders by: initiating trust, shaping identity, anchoring and transcending common language, and acting positively on ignorance. These virtuous cycles were sustainable and transformed into new global strategic perspectives at Nissan.

Source: Adapted and updated from the first edition of this book, *Global Leadership: Research, Practice, and*

Development (2008); and from J. Osland, S. Taylor & M. Mendenhall (2009) "Global Leadership: Progress and Challenges." In R. Baghat and R. Steers (Eds.), *Handbook of Culture, Organization and Work*. Cambridge: Cambridge University Press, 245–271; and J. Osland, A. Bird, & M. Mendenhall (2012) Developing global mindset and global leadership capabilities: A Review. In G. Stahl, I. Bjorkman & S. Morris (Eds.), *Handbook of Research in International Human Resource Management* (2nd Ed., pp. 220–252). London: Elgar.

This list describes a transformational leadership style and a strong performance orientation.

The Global Explorer Model

Black, Morrison, and Gregersen (1999) took a qualitative, exploratory approach to determine what capabilities global leaders needed to acquire and how managers could most effectively develop them. They interviewed over 130 senior line and HR executives in 50 companies in Europe, North American and Asia and then interviewed 40 nominated global leaders from these firms. The result was the Global Explorer model, which consists of these global characteristics:

Inquisitiveness—A love of learning, being intrigued by diversity

Embrace Duality—Uncertainty is viewed as invigorating and a natural part of global business

Exhibit Character—The ability to connect emotionally with people of different backgrounds and cultures; consistently demonstrate personal integrity in a world full of ethical conflicts

Demonstrate Savvy—Business savvy and organizational savvy

Inquisitiveness is the centerpiece of the Global Explorer Model because of its fundamental importance. Whenever John Pepper of P&G went to a new country, he visited five local families to see how they cleaned their houses, washed their clothes, and took care of their children's hygiene before going to the office (Black, 2006: 184). Pepper was curious about how the local people performed the tasks related to P&G's products. Black (2006) devised a list of recommendations for distinguishing between the inquisitive and the non-inquisitive.

Inquisitive people seek out the new rather than the comfortable. Inquisitive people gather information about the foreign country and business before going on trips. Once there, they take advantage of the opportunity to learn about the country, to make contacts, and to experience the novelty of a foreign culture rather than cocooning themselves in a four-star hotel and eating the same food found at home.

Inquisitive people act as travelers rather than tourists. Unlike tourists who unquestioningly accept their own civilization, travelers constantly compare and contrast the new things and ways of doing things with what they already know. If the new way is superior, they are willing to adopt it. Kraft Foods adopted the local distribution system for ice cream in China, even though it seemed less efficient at first glance. Given the storage capacity of small stores and the narrow crowded streets, bicycles equipped with dry ice were a better solution than Kraft's usual large refrigerated trucks (Black, 2006).

Inquisitive people question rather than confirm. When confronted with different ways of doing business, inquisitive people are quick to ask questions that lead to new understandings rather than assuming that they already understand. Rather than simply trying to confirm what they already believe, inquisitive people are sincere about seeking new information.

Inquisitiveness is an aspect of global mindset as is *Embracing Duality*. Global leaders deal with the simultaneous existence of two contradictory conditions rooted in the global versus local tensions. For example, the corporate vice president of HR for International Flowers and Fragrances (IFF), Eric Campbell stated, "The best local and global leaders in our company are curious enough to pay attention to the extremely subtle nuances of any locale—whether in New York or Jakarta—as well as smart enough to notice consumer similarities around the world" (Black, 2006: 191). One can spot those who embrace duality if they:

embrace rather than avoid ambiguity. Ambiguity is an inherent aspect of global business. There are no easy answers to reap from the past when today's global leaders have to unravel and resolve novel, complex, rapidly changing situations. Some people complain and blame others when things are not clear and structured, while others see opportunity and challenge in ambiguity. As Black (2006: 192) concludes, "When faced with high ambiguity, high-potential global leaders have fun; low-potential leaders have anxiety

attacks."

act rather than freeze in the face of ambiguity. Instead of waiting for enough information and analysis to act, people who embrace duality are willing to move forward in ambiguous situations. Businesses that wait for 100 percent certainty generally find themselves beaten by the competition. For instance, high-tech companies that wait to roll out fully debugged products can lose out to companies that have already moved on to next-generation technology.

The bedrock of *Exhibiting Character* is integrity (Morrison, 2006). "The global leader with integrity exhibits this quality by demonstrating a strong and consistent commitment to both personal and company standards" (Morrison, 2006: 166). Morrison identified four distinguishing characteristics of global leaders with high ethical standards (2006: 175–177):

They like and are interested in people (can connect emotionally, trustworthy)

They constantly probe ethical issues

They are committed to the company's standards and apply them wherever they are

They know when to "hang tough" and when to be flexible on ethical issues

According to the Global Explorer research, the recommended ways to develop these competencies are: training, international transfers in particular, travel and multicultural teams (Black, Morrison, & Gregersen, 1999). The Global Explorer Model is parsimonious and easily grasped. The researchers used an exploratory qualitative approach, which is highly appropriate for a new field of study. They interviewed an impressive number of participants and took care to select them from numerous companies from three continents to avoid a culturally or organizationally biased view. Although not everyone in their sample was identified as an actual global leader, their results are in line with those of other global scholars. Black and Morrison extended and updated their research in *The Global Leadership Challenge* (2014).

The New Global Leaders

Kets de Vries, a psychiatrist, began his empirical work on global leaders with Florent-Treacy by doing case studies of three global leaders who were acknowledged as highly successful global CEOs: Richard Branson at Virgin, Percy Barnevik at ABB, and David Simon at British Petroleum (Kets de Vries & Florent-Treacy, 1999). They had several leadership characteristics in common. Although their communication styles were different, all three had a simple, compelling vision that they expressed with enthusiasm and self-confidence. They were accessible to followers and possessed enough empathy to allow them to "recognize and contain followers' anxieties" during the change process (Kets De Vries & Florent-Treacy, 1999: 156). The three CEOs gained power by sharing it, sharing information, and empowering employees. Furthermore, they surrounded themselves with colleagues who made up for their own weaknesses. The CEOs devoted energy to developing an organizational culture characterized by shared values, open communication, challenge, commitment, autonomy, innovation and learning, good corporate citizenship, and rewards for excellence. Finally, the three global leaders put in place sophisticated IT systems and decentralized, flat, networked structures that minimized bureaucracy. The result was adaptability and a strong customer-orientation.

> These three leaders have focused on process: constructing the kind of high-performance learning organization that encourages individual contribution. They put a high value on their roles as guardian of culture and teacher. As Barnevik has said, "Ninety percent of leadership is process; only 10 percent is strategy. Of that 10 percent, 2 percent is analysis and 8 percent is having the guts to make tough decisions.
>
> (Kets de Vries & Florent-Treacy, 1999: 166–167)

Perhaps for this reason, Kets de Vries and Florent-Treacy (2002) describe global leadership as a combination and expansion of both leader and manager roles. Kets de Vries continued using a clinical orientation, based on psychoanalysis, cognitive psychology, and family systems theory, to puzzle out the dynamics between leaders and followers and the "inner theatre" of global leaders (Kets de Vries, Vrignaud, & Florent-Treacy, 2004). He interviewed CEOs who participated in a leadership program at INSEAD, entitled "The Challenge of Leadership: Developing Your Emotional Intelligence" and other INSEAD participants and students (Kets de Vries & Florent-Treacy, 2002; Kets de Vries et al., 2004). This convenience sample appears to be based on the assumption that all global managers and those with the title of CEOs are, by definition, global leaders.

Box 3.1 The Global Leadership Life Inventory Dimensions

1. Articulating a compelling vision, mission, and strategy with a multi-country, multi-environment, multi-function, and multi-gender perspective that connects employees, shareholders, suppliers, and customers on a global scale.

2. Giving workers at all levels a voice by empowering them through the sharing of information and the delegation of decisions to the people most competent to execute them.

3. Energizing and motivating employees to actualize the organization's specific vision of the future.

4. Creating the proper organizational design and control systems to make the guiding vision a reality, and using those systems to align the behavior of the employees with the organization's values and goals.

5. Setting up the appropriate reward structures and giving constructive feedback to encourage the kind of behavior that is expected from employees.

6. Creating team players and focusing on team effectiveness by instilling a cooperative atmosphere, building collaborative interaction, and encouraging constructive conflict.

7. Making employees aware of their outside constituencies, emphasizing particularly the need to respond to the requirements of customers, suppliers, shareholders, and other interest groups, such as local communities affected by the organization.

8. Inculcating a global mentality in the ranks—that is, instilling values that act as a sort of glue between the regional and/or national cultures represented in the organization.

9. Encouraging tenacity and courage in employees by setting a personal example in taking reasonable risks.

10. Fostering trust in the organization by creating, primarily through example, an emotionally intelligent workforce whose members know themselves and know how to deal respectfully and understandingly with others.

11. Articulating and modeling the need for life balance for the long-term welfare of employees.

12. Paying attention to work, career, life, and health stress issues, and balancing appropriately the various kinds of pressures that life brings.

Source: Reprinted with permission from M.F.R. Kets de Vries, P. Vrignaud, and E. Florent-Treacy (2004) "The global leadership life inventory: Development and psychometric properties of a 360-degree feedback instrument." *International Journal of Human Resource Management*, 15 (3): 475–492.

Five professors performed content analysis on the CEO interview transcripts, which yielded twelve dimensions of global leadership, shown in Box 3.1. Global leaders perform two roles at the same time: charismatic and architectural. The charismatic role includes "envisioning, empowering and energizing," originally identified by Tichy and DeVanna (1986) as the role of transformational leaders attempting to make fundamental organizational change. In the charismatic role, global leaders direct, inspire, and motivate followers. In the architectural role they implement processes to improve the organizational design and appropriately control and reward employee behavior (Kets de Vries & Florent-Treacy, 2002).

Kets De Vries' psychoanalytical background led him to this prescription for healthy leadership—self-awareness, a well-rounded and balanced personal life, the ability to suffer fools and laugh at oneself (Coutu, 2004: 66). His

dimensions of global leadership include the need to pay attention to work, career, life and health stress issues, and balance life's pressures appropriately.

Global Literacies

In a research report, Robert H. Rosen, a psychologist and consultant, and his research team—Rosen, Digh, Singer, and Phillips (2000)—interviewed 75 CEOs of major companies from 28 countries and surveyed 1,058 respondents from 18 countries, including CEOs, presidents, managing directors, and chairmen. The purpose of their research was to "(1) define the characteristics most common to successful global leaders and their companies; (2) identify the leadership factors most likely to predict global success in the twenty-first century, and (3) identify the unique national contributions to leadership around the world" (Rosen et al., 2000: 377). They concluded that the most successful business leaders demonstrate four universal leadership qualities called global literacies.

Personal literacy has to do with understanding and valuing oneself. In addition to self-awareness, leaders should be open, honest, and committed to learning and principles. Social literacy involves "challenging and engaging others" and hinges on the ability to form collaborative relationships and networks. Business literacy pertains to focusing and mobilizing the organization. Finally, cultural literacy involves understanding and leveraging cultural differences (Rosen et al., 2000: 50). Many of the components of each literacy have somewhat contradictory titles; for example, confident humility and reflective decisiveness. This was done purposely to reflect the cognitive complexity required of global leaders as they balance the complexity and tensions of today's world. These terms reflect the need to move beyond "either-or" thinking more common in Western thought patterns to "both-and" thinking that is more characteristic of Asian thought patterns (Nisbett, 2003).

Rosen has a comprehensive view of global leaders. "Traditionally, we have asked if we have global customers or services; but in the 21st century, all markets are global and everyone needs to survive in a global marketplace. Therefore, we are all global leaders" (Rosen in Thaler-Carter, 2000: 82). To transform into a global company, Rosen argues that we need leaders who are capable of seeing the world's challenges and opportunities, thinking with an international mindset, acting with fresh, global-centric leadership behaviors, and mobilizing a world-class team and company (Rosen et al., 2000).

Competencies of the Global Executive

Although McCall and Hollenbeck (2002) titled their book *Developing Global Executives: The Lessons of International Experience*, their study focused on global leaders. In fact, theirs was the only study since Wills and Barham (1994) to specify effectiveness as a selection criteria for their entire sample. They interviewed 101 executives (92 men and 9 women) who were nominated by their companies because they were considered to be extremely successful global executives. Their sample came from 36 countries and 16 global companies.

McCall and Hollenbeck report that there is no agreement on a universal set of global competencies because global jobs are very diverse—"there is no universal global job" (McCall & Hollenbeck, 2002). They found many different paths to global leadership (McCall & Hollenbeck, 2002: 200). Only half of these executives had backgrounds that could explain their interest in global work. Some were attracted by the travel or adventure; others simply fell into global work and went overseas at the behest of the company rather than their own initiative. McCall and Hollenbeck noted that is easier to derail in a global career than a domestic one because there are more hazards and traps.

They identified a set of seven global executive competencies that allow people to work successfully across cultures (McCall & Hollenbeck, 2002: 35):

Being open-minded and flexible in thought and tactics

Possessing cultural interest and sensitivity

Having the ability to deal with complexity

Being resilient, resourceful, optimistic, and energetic

Operating from a state of honesty and integrity

Having a stable personal life

Possessing value-added technical or business skills

Global Leadership—The Next Generation

A team of leadership consultants and executive coaches—Goldsmith, Greenberg, Robertson, and Hu-Chan (2003)—was sponsored by the Accenture Institute of Strategic Change to research the next generation of leaders. Arguing that today's leadership skills will not be sufficient for the future due to the changing nature of global business, they sought the opinion of both current and prospective leaders. Their team gathered information from future leaders from around the world in several ways—focus groups with 28 CEOs, various focus groups/dialogue forums with current and future global leaders, 73 surveys, and over 200 interviews with high potential leaders nominated by 120 international organizations (for-profit, governmental, multilateral, and nonprofit). More than 60 percent of the interview sample was under the age of 40; more than 33 percent were still in their 20s. They began their research efforts by convening a group of thought leaders, renowned experts on domestic leadership or the future rather than specialists in comparative or global leadership. Their bibliography does not include any global leadership literature, further proof that their jumping-off point was domestic leadership. This project is more practitioner-oriented and provides extensive practical advice for skill development; it is less rigorous from an academic standpoint than some of the other reported studies. Nevertheless, the findings are interesting and provide a slightly different perspective on global leadership that appears to be relevant today.

Box 3.2 Next Generation Dimensions of Global Leadership

1. Demonstrating integrity—demonstrates honest, ethical behavior in all interactions, ensures high standards for ethical behavior are practiced throughout the organization, avoids political and self-serving behavior, courageously stands up for beliefs, role model for living the organization's values.

2. Encouraging constructive dialogue—asks for feedback on what they can improve, genuinely listens to others, accepts constructive feedback, tries to understand the other person's frame of reference, encourages others to challenge the status quo.

3. Creating a shared vision—creates and communicates a clear vision, effectively involves people in decision-making, inspires people to commit to the vision, develops an effective strategy to achieve the vision, and clearly identifies priorities.

4. Developing people—treats people with respect and dignity, asks people what they need to do their work better, provides the training people need, provides effective coaching and developmental feedback in a timely manner, and recognizes achievements.

5. Building partnerships—treats coworkers as partners rather than competitors, unites organization into an effective team, builds partnerships across the company, and discourages destructive comments about other people or groups.

6. Sharing leadership—willingly shares leadership with business partners, defers to those with more expertise, seeks win–win, joint outcomes, and keeps the focus on superordinate goals and the greater good.

7. Empowering people—builds people's confidence, takes risks in letting others make decisions, provides freedom needed to do their job well, and trusts others to do their work, thereby avoiding micromanagement.

8. Thinking globally—adaptability, gains necessary global experience, understands impact of globalization and helps others understand it, decisions include global considerations.

9. Appreciating diversity—sees difference and diverse opinions as an advantage and helps others to perceive this, expands cultural knowledge, effectively motivates people from other cultures.

10. Developing technological savvy—acquires necessary technological knowledge, recruits people with technological expertise, manages use of technology to increase productivity.

11. Ensuring customer satisfaction—inspires others to achieve high levels of customer satisfaction, views business processes from ultimate customer perspective, regularly solicits customer input, consistently delivers on customer commitments, and understands competitive options available to customers.

12. Maintaining a competitive advantage—communicates a positive, can-do sense of urgency toward getting the job done, holds others accountable for results, eliminates waste and unneeded cost, provides products and services that create a clear competitive advantage, and achieves results leading to long-term shareholder value.

13. Leading change—sees change as an opportunity, not a problem, challenges the system when needed, thrives in ambiguous situations, encourages creativity and innovation, effectively translates creative ideas into business results.

14. Achieving personal mastery—self-awareness, emotional intelligence, self-confidence, invests in personal

development, involves others to complement personal weaknesses.

15. Anticipating opportunities—invests in learning about future trends, anticipates future opportunities, inspires a focus on future opportunities and not simply on present objectives, develops ideas to meet changing environmental needs.

Source: Adapted from M. Goldsmith, C. Greenberg, A. Robertson, and M. Hu-Chan (2003) *Global Leadership: The Next Generation* (Upper Saddle River, NJ: Prentice-Hall), pp. 329–333.

Goldsmith and his colleagues identified fifteen dimensions of global leadership, found in Box 3.2. They note that many aspects of leadership are universal and unlikely to change; thus, ten of their dimensions are domestic leadership traits also deemed important in the past. They predict that the five dimensions shown below will be especially important in the future:

1. Thinking globally

2. Appreciating cultural diversity

3. Developing technological savvy

4. Building partnerships and alliances

5. Sharing leadership

They place special emphasis on the last factor, shared leadership.

> Because no individual is likely to embody all of the needed and critical capabilities, and because the very nature of business organization—merged, allianced, out-sourced, and virtual—is beginning to dictate it, shared leadership is expected to gain pre-eminence as the operating model of the future. In the future, there will be fewer "all-knowing" CEOs; instead, leadership will be widely shared in executive teams. New demands for collective responsibility and accountability for results will emerge, as will new competencies for sharing leadership. The sheer number of alliances and networks means that more than one person will lead these structures.
>
> (Goldsmith et al., 2003: xxxii)

The Rand Study—New Challenges for International Leadership

A Rand study set out to answer a series of questions, including the impact of globalization trends on major public and private sector organizations and the kinds of competencies needed in professionals working in international organizations (Bikson, Treverton, Moini, & Lindstrom, 2003). The remaining questions centered on the global talent pipeline, its future prospects, and practical methods for improving the development of global leadership capabilities. Structured interviews were carried out with 135 human resource managers and senior managers of 75 public, for-profit, and nonprofit organizations. A nominated expert panel crafted development policies.

The results pointed to some differences in the competencies valued by different sectors (e.g., substantive domain knowledge, foreign language proficiency, and competitiveness and drive). However, the participants agreed on an integrated repertoire of skills that include (Bikson et al., 2003):

Substantive depth (professional or technical knowledge) related to the organization's primary business processes. Depth is needed for sound decision making about risks and opportunities and to gain the respect and trust of followers.

Managerial ability, with an emphasis on teamwork and interpersonal skills. These skills are necessary for working with various partners and because decision-making at all hierarchical levels has become more collaborative.

Strategic international understanding. The leader's strategic vision for the organization is based on an understanding of both the global context and local operational realities.

Cross-cultural experience. Academic instruction and language acquisition are no substitutes for real work experience in another culture.

The Rand study was the first to predict a global leadership shortfall in all three sectors—for-profit, nonprofit, and especially public sectors—because they had not developed enough future leaders (Bikson, Treverton, Moini, & Lindstrom, 2003). Unfortunately, problems in the global leadership talent pipeline continue to surface in global surveys (see Charan, Drotter, & Noel, 2001; Mercer Delta, 2006; Logan, 2008; McKinsey & Company, 1998; World Economic Forum, 2013 Global Agenda Outlook; World Economic Forum, 2015 Global Agenda Outlook; DDI, 2015; and Mallon, 2015).

Developing the Global Leader of Tomorrow

Developing the Global Leader of Tomorrow research program was conducted by a consortium of business schools; the lead author was Gitsham (2008), aided by a team of 13 supporting authors. Surveys were administered to 194 CEOs and senior executives, and interviews were conducted with 33 HR, sustainability, and other thought leaders at firms participating in the United Nations Global Compact. The results identified changes in the external environment and the necessity to respond with capabilities and culture as well as policies and systems. Three clusters of knowledge and skills were identified in the areas of context, complexity, and connectedness. The context cluster included the ability to scan the environment, understand the risks and opportunities of environmental and social trends, and take them into consideration when responding. The complexity cluster referred to leading under conditions of ambiguity and complexity, which involved flexibility and being responsive to change, finding creative solutions to problems, learning from mistakes, balancing both short- and long-term considerations, understanding the interdependency of their actions, and making ethical decisions. The connectedness cluster included the ability to understand the actors in the wider political landscape, build relationships with external partners, and engage in stakeholder dialogue. Unfortunately, the participants reported a performance gap: 76 percent think it is important that their own organization develop these competencies, but only 7 percent believe their organizations are currently doing this effectively. Sixty-two percent think it is important that both business schools and professional associations should develop them, but a similarly limited percentage believe they are doing so effectively (8 percent for business schools and 5 percent for professional associations).

Defining the Content Domain of Intercultural Competence in Global Leadership

Bird et al. (2010) conducted a review of the global leadership and expatriate literature to develop a comprehensive delineation of the content domain of the intercultural competence required for effective global leadership. The domain consists of *perception management, relationship management,* and *self-management.* Perception management includes how people cognitively approach cultural differences (nonjudgmentalness, inquisitiveness, tolerance of ambiguity, cosmopolitanism, and category inclusiveness). Relationship management refers to people's orientation to the importance of relationships (relationship interest, interpersonal engagement, emotional sensitivity, self-awareness, and social flexibility). Self-management considers their identity and ability to manage their emotions and stress effectively in light of the challenges inherent in working across cultures (optimism, self-confidence, self-identity, emotional resilience, non-stress tendency, stress management, and interest flexibility). Sixteen of these 17 competencies, as measured by the Global Competency Inventory described in Chapter 5, can be used to enhance global leadership selection and personal development.

The framework and the GCI measure were shown to have predictive validity in a study of Japanese expatriates (Furuya, Stevens, Bird, Oddou, & Mendenhall, 2009). Higher levels of these global competencies had a positive influence on these global leadership-related variables: global business acumen, interpersonal skills, and systems management skills. They were also associated with higher levels of competency transfer and job performance. Structural equation modeling identified linkages from organizational support, intercultural personality characteristics, self-adjustment, and repatriation policies to outcomes of global competency learning and transfer, which in turn lead to heightened job motivation and performance. Organizational support and higher pre-assignment scores in intercultural personality characteristics were associated with increases in individual learning and the subsequent transfer of global competencies upon repatriation. Self-adjustment, organizational support, and supportive repatriate HR policies repatriate are positively related to global management competency transfer. This transfer is also associated with higher job motivation and work performance.

Tucker et al. (2014) also focused on intercultural competencies and their relationship to global leadership performance criteria. After surveying 1867 CEOs, general managers, and function heads from 13 nationalities, they identified six competencies: respecting beliefs, navigating ambiguity, instilling trust, adapting socially, even disposition, and demonstrating creativity. They related these competencies to three global leadership success criteria: building team effectiveness, global networking, and driving performance.

Global Leadership Competency Frameworks and Models

To date, researchers have identified over 200 global leadership competencies. [Chapter 4](#) organizes them into a more manageable content domain. The various lists of competencies contain no surprises, but they are overlapping and separated at times only by semantic differences (Jokinen, 2005). There is growing consensus that global leadership consists of core characteristics, context-specific abilities, and universal leadership skills. This section describes efforts by scholars to create frameworks for global leadership competencies.

The Multidimensional Construct of Global Leadership

Mendenhall and Osland's (2002) review of the empirical and non-empirical literature yielded 56 global leadership competencies, a list too large to be useful. Noting that there were numerous areas of overlap across the various lists, they concluded that global leadership is a multidimensional construct with at least six core categories of competencies: 1) cross-cultural relationship skills, 2) traits and values, 3) cognitive orientation, 4) global business expertise, 5) global organizing expertise, and 6) visioning. Their categorization of the global leadership competencies appears in .

Global Leadership Dimensions

with attendant competencies

Relationship Skills
Close Personal Relationships
CC Communication Skills
"Emotionally Connect" Ability
Inspire, Motivate Others
Conflict Management
Negotiation Expertise
Empowering Others
Managing CC Ethical Issues

Organizing Expertise
Team Building
Community Building
Organizational Networking
Creating Learning Systems
Strong Operational Codes
Global Networking
Strong Customer Orientation

Traits
Curiosity/Inquistiveness
Continual Learner
Learning Orientation
Accountability
Integrity/Courage
Commitment
Hardiness
Maturity
Results-Orientation

Cognitive
Environmental Sensemaking
Global Mindset
Thinking Agility
Improvisation
Pattern Recognition
Cognitive Complexity
Cosmopolitanism
Managing Uncertainty
Local vs. Global Paradoxes

Business Expertise
Global Business Savvy
Global Organizational Savvy
Business Acumen
Total Organizational Astuteness
Stakeholder Orientation
Results-Orientation

Vision
Articulating a tangible vision and strategy
Envisioning
Entrepreneurial Spirit
Catalyst for Cultural Change
Change Agentry
Catalyst for Strategic Change
Empowering, Inspiring

Figure 3.2 Mendenhall and Osland's Literature Review Results: The Six Dimensions of Global Leadership and Their Competencies

Integrated Framework of Global Leadership

After reviewing the expatriate and global leadership literature, Jokinen (2005) proposed an integrated theoretical framework of global leadership that includes three types or layers of competencies: a fundamental core, mental characteristics and behavioural skills, shown in Table 3.3. She argues that the fundamental core of global leadership consists of self-awareness, engagement in personal transformation, and inquisitiveness. These characteristics set the stage for the development of other competencies; thus, they are not end-state competencies but indicators of the potential for global leadership. The second layer in her framework consists of mental characteristics that affect the way people approach issues and thereafter guide their actions. The desired mental characteristics consist of: optimism, self-regulation, motivation to work in an international environment, social judgment skills, empathy, cognitive skills, and the acceptance of complexity and its contradictions. The last layer is behavioral and concerns tangible skills and knowledge that lead to concrete actions and results. It includes social skills, networking skills, and knowledge. Jokinen notes that these competencies are continuums. She recommends, therefore, that "the emphasis shift from identifying specific lists of competencies to defining and measuring their ideal level in individuals" (Jokinen, 2005: 212).

The Pyramid Model of Global Leadership

The Pyramid Model was developed originally via a modified Delphi technique with a team of international management scholars who were members of ION (International Organizations Network). They identified the key competencies of global managers (Bird & Osland, 2004). The model, shown in Figure 3.3, was subsequently expanded and adapted for global leaders by Osland for the first edition of this book, based on a review of the recent global leadership literature. The model takes the form of a pyramid to reflect the assumption that global leaders have certain threshold knowledge and traits that serve as a base for higher-level competencies. The five-level model suggests a progression that is cumulative, advancing from bottom to top. Level 1, the foundation, is comprised of *global knowledge*, which will be discussed more fully in Chapter 10. Let's look at an example of an Indian manager-turned-entrepreneur who capitalized on the knowledge acquired in years of international work with a large, high-tech firm. He saw the promise in a new invention to monitor people under anesthesia. Rather than locating all operations in one country, he took advantage of his extensive personal network: mathematicians in Switzerland, R&D engineers and manufacturers in India, and salespeople in the Silicon Valley. His lengthy experience working with different cultures made it possible to convince people to join him in this venture. Due to his familiarity with technology and new products, all the IT and accounting functions were handled on the web. His experience with marketing led him to develop a marketing plan that focused only on countries with either "lots of money" or "lots of people." Thus, his reliance on various types of global knowledge made it possible for him to successfully run a worldwide company with a very small number of people.

Table 3.3 Jokinen's Integrated Framework of Global Leadership

Layers of Competencies	*Competencies*
Behavioral Skills	Social skills, networking skills, and knowledge
Mental Characteristics	Optimism, self-regulation, motivation to work in an international environment, social judgment skills, empathy, cognitive skills, and the acceptance of complexity and its contradictions
Fundamental Core	Self-awareness, engagement in personal transformation, and inquisitiveness

Source: Table created based on the research findings reported in T. Jokinen (2005) "Global leadership competencies: A review and discussion." *Journal of European Industrial Training*, 29(2/3): 199−216.

Level 2 consists of four specific *threshold traits*: integrity, humility, inquisitiveness, and resilience. These are relatively stable personality traits that are difficult for some people to learn; therefore, the scholars treated them as selection criteria based on the research findings for expatriates, international managers, and global leaders. Look at the similarities, for example, between these traits and the characteristics included in the competencies Wills and Barham (1994) discovered in global leaders: sense of humility, emotional self-awareness and resilience, psychological maturity, curiosity to learn, and personal morality.

Figure 3.3 The Pyramid Model of Global Leadership

Without integrity, global leaders cannot earn the respect they need from people within and without their organization to be effective. In cross-cultural settings where pressure to adapt or fit in is combined with incomplete and inaccurate understandings, integrity prevents leaders from errors in judgment that can come back to haunt them and their companies. Research has identified honesty and integrity as critical success factor for global leaders (McCall & Hollenbeck, 2002; Black, Morrison, & Gregersen, 1999; Morrison, 2001).

Integrity also helps global leaders change the minds of their diverse followers. Gardner (2006) argued that leaders in general need three intelligences: 1) linguistically gifted to be good storytellers; 2) interpersonal intelligence to understand, motivate, listen, and respond to people's needs; 3) existential intelligence that allows them to pose fundamental questions that eventually lead to their vision. Leaders also need instinct and integrity in part because they are in the business of changing minds, which is even more challenging when those minds have been differentially programmed by culture and historical background. Leaders of diverse populations (i.e., global leaders) have two tools: the stories they tell and the lives that they lead. There must be resonance between the two—a leader's story has to embodied in his or her personal life for the story to be credible. Gandhi changed the prevailing mindset that revolution is possible only through war when he successfully led India's peaceful protest against British colonization. His story was simple: we want to be treated as equal fellow human beings, not make war or shed blood. The story was backed up, however, by "an integrated program of prayer, fasting, and facing one's opponents without weapons" (Gardner, 2006: 85). Gandhi himself led a simple, ascetic life in keeping with his story. "When all is said and done, the most important ingredient for a story to embody is truth; and the most important trait for a leader to have is integrity" (Gardner, 2006: 112). Gandhi, a well-respected global leader, is also known for his humility, another threshold trait.

Without humility, managers are not open to learning from other cultures or organizations and are not willing to be taught by others. Humility is the opposite of arrogance and ethnocentrism, which can lead people to assume that they already know all the answers. Carlos Ghosn is the first non-Japanese chairman and CEO of Nissan; he also holds the same positions at Renault. He stated, "Well, I think I am a practical person. I know I may fail at any moment. In my opinion, it was extremely helpful to be practical [at Nissan], not to be arrogant, and to realize that I could fail at any moment" (Millikin & Fu, 2005: 121).

The desire to have new experiences and to learn from them is called inquisitiveness, which is described in detail in the previous section on the Global Explorer Model. The final trait is resilience, which refers to the optimism and persistence needed to keep moving forward despite adversity and the hardiness necessary to deal with the stresses inherent in global work. The concept of hardiness comes to us from the literature on stress and Big Five personality research. Within the Big Five, hardiness is usually referred to as emotional stability, a factor found to relate to expatriate effectiveness (Mendenhall & Oddou, 1985) and performance (Caliguiri, 2000). McCall and Hollenbeck (2002) refer to this as "resilience." Meyer and Kelly (1992) call it "emotional resilience" and characterize it in this fashion:

> The emotionally resilient person has the ability to deal with stressful feelings in a constructive way and to "bounce back" from them. Emotionally resilient people ... have confidence in their ability to cope with ambiguity ... . and have a positive sense of humor and self-regard.

We can see a link to emotional intelligence in this description. While it is possible for people to increase their resilience and emotional intelligence, it is simpler and a safer bet for organizations to select potential global leaders who already possess this trait.

Level 3 is composed of *attitudes and orientations*, the global mindset that influences the way global leaders perceive and interpret the world. While there is still no generally accepted definition of the global mindset construct, the most extensive effort to map this domain was contributed by Levy and her colleagues who argue that global mindset is composed of two factors that we have previously mentioned in passing: cognitive complexity and cosmopolitanism (Levy, Beechler, Taylor, & Boyacigiller, 2007). Cognitive complexity refers to a knowledge structure composed of differentiation (the number of dimensions or constructs an individual uses to describe a particular domain, such as globalization or leadership) and integration (the links or relationships the individual sees among the differentiated constructs) (Bartunek, Gordon, & Weathersby, 1983). The more cognitively complex people are, the more dimensions and relationships they perceive; in other words, highly complex people have more differentiated and integrated domains. Higher levels of cognitive complexity correlate with the ability to hold competing interpretations (Bartunek et al., 1983), balance contradictions, ambiguities, and trade-offs (Tetlock, 1983), and deal with dualities or paradoxes (Evans, Pucik and Barsoux, 2002; Levy et al., 2007).

Cosmopolitanism is the polar opposite of parochialism, and this construct contains two aspects related to global mindset. "First is an orientation toward the outside and the external environment, rather than a focus on the inside, the local or the parochial. A second key aspect is the characteristic of openness, which represents not only being interested in others but willing to engage and be open to exploring the alternative systems of meanings held by outsiders and to learn from them" (Levy et al., 2007; Beechler & Javidan, 2007). Global mindset makes it possible for leaders to see beyond the narrow confines of their own culture.

Knowledge, personality traits, and attitudes become valuable only when they are translated into action. Thus, Level 4 focuses on the *interpersonal skills* that global leaders need to cross cultures: mindful communication, creating and building trust, and the ability to work in multicultural teams. In the expert global leader study (Osland, Bird, Osland & Oddou 2007), these skills were key components in their stories of critical leadership challenges. Fred Hassan, Chairman and CEO of Plough-Schering, argued that doing well in business is about "getting to the hearts of people—that's something you don't learn in business school. Can you teach someone to engender trust? That separates leaders from managers" (Simons, 2003).

The top of the pyramid, Level 5, contains *system skills*, which are really meta-skills that encapsulate many other skills required for global work. They all require global knowledge, global mindset, cross-cultural expertise, and the ability to both adapt to cultural differences and leverage them for competitive advantage. The central focus at this level is the ability to influence people and the systems in which they work, both inside and outside the organization.

The boundary-spanning aspect refers to the ability to communicate and serve as a liaison with different functional areas, businesses, and external organizations and indirect stakeholders. Boundary-spanning roles include: representative, gatekeeper, advice broker, and trust broker (Freidman & Podolny, 1992). Global leaders deal with a wide variety of stakeholders, such as industry consortia, government agencies, regulators,

suppliers, nongovernmental organizations (NGOs), the media, and business partners.

Global leaders have to build a community inside their far-flung organizations to provide all members with a sense of membership. When J.T. Wang became president of Acer Inc. in Taiwan, he followed these guiding principles: the principle of one company, the policy of one brand, and the spirit of one team (Shih, Wang, & Yeung, 2006). Building a community seems to be a precursor to global change efforts (Osland, 2004). Sometimes, these communities are composed not only of employees but also of stakeholders and organizations within and beyond the industry.

Leading change on a global level is another meta-skill found at this level. It begins with environmental scanning and understanding the complexity one's organization faces and developing a new vision; subsequently, global leaders are catalysts for learning and change. They devote a good deal of their time to changing the mindset of their followers and to pushing strategic change. This topic will be discussed in greater depth in Chapter 8.

Another competency is called architecting, which refers to organizational design and alignment. It involves ensuring that all the various building blocks of the organization—strategy, structure, employee selection, training, retention, organizational culture, managerial style, systems such as planning, budgeting, and control and information systems, communication processes, financial reporting and accountability, performance metrics, and so forth—are coordinated and integrated to the optimal degree. Integration and coordination are enduring challenges for global firms seeking to align global strategies with local business processes and needs and to grow by acquiring foreign firms. Furthermore, the changes global leaders want to make result in the need to realign and redesign the organizational components so they complement rather than block the change.

Nestlé was once a cautionary example of poor integration. At one point in its history, it had five different email systems and twenty versions of accounting and planning software. Because each Nestlé America factory had a different code for vanilla, they paid over twenty different prices for the exact same vanilla—to the same vendor (Busco, Frigo, Giovannoni, Riccaboni, & Scapens, 2006)!

It is a fairly simple matter to design processes that resolve problems like Nestlé's, which the company did. The more difficult challenge is to change the mindset of employees so that they themselves are willing and able to forecast and fix problems at work. Architecting also includes the human side of business—the social architecture that builds motivated employees, healthy workplaces, and effective organizational cultures. As Warren Bennis commented, "The key to competitive advantage in the 1990s and beyond will be the capacity of leaders to create the social architecture that generates intellectual capital" (1997: 87). Global leaders are responsible, in the final analysis, for the design and function of the global organization itself.

The influence process is a universal aspect of leadership; in the global leadership context, however, it involves understanding how to influence multiple stakeholders effectively, across cultural and organizational boundaries. Before financial derivatives forced it to merge with another Brazilian company and operate under another name, Aracruz Celulose S. A. was the world's largest pulp producer. The firm won numerous best practices awards for sustainability and human resources. Its internal operations were widely admired. Despite these accolades, the firm also had to deal with external stakeholders who pressured the firm. As part of the landless movement in Brazil, indigenous groups claimed that the company bought their traditional lands and invaded and damaged Aracruz property. The company maintained that the Indians never lived on the land in question and turned to the judicial system to resolve the lengthy controversy. The indigenous people had a government agency on their side advocating for them. Aracruz was also compelled to take into consideration the environmental activists who criticized the company for its monoculture of eucalyptus trees, water use, and the bleaching process that produces white paper. The Brazilian Indians and environmentalists were supported by European activists, who convinced the Swedish royal family to disinvest in Aracruz. Activists also petitioned, unsuccessfully, the Norwegian parliament and Norway's Petroleum Fund to take similar steps. Aracruz had attempted to come to agreements with some of the external stakeholders in the past, but the agreements with the indigenous people kept unraveling. Their situation highlights the difficulty of finding lasting solutions to ambiguous, complex societal problems (Osland & Osland, 2007).

Making ethical decisions is the ability to make decisions and take actions that conform to a high ethical standard. This involves the capacity to see things from a larger perspective and to use systems thinking and consider the implications of individual and organizational actions for all parties who might be affected. Decision-making tends to violate ethical standards when it loses sight of the larger system and instead focuses on the narrow concerns or interests of individuals, organizations, or industries.

The graphic representation of the Pyramid Model does not accurately reflect the dynamic nature of global leadership process that occurs when leaders interact with the environment. The model's contribution, however, is the identification of different building blocks of global leadership and the simplification of a complex array of competencies. It was designed to be used in conjunction with the Effectiveness Cycle (Bird & Osland, 2004: 59–61), which takes a process approach. It describes what effective global managers do at the most basic level:

> **Stage 1**: Perceive, analyze, and diagnose to decode the situation—This involves matching characteristics of the current situation to past experiences, scanning for relevant cues or their absence, framing the situation in terms of experience and expectation, and setting plausible goals for the outcome.
> **Stage 2**: Accurately identify effective managerial action—Given the situation and the desired outcome, which nuanced actions would be the most effective? This judgment relies on global knowledge, experience, contingency factors, and the ability to imagine and predict the results of various responses.
> **Stage 3**: Possess the behavioral repertoire and flexibility to act appropriately given the situation—In this stage, the emphasis moves from cognition to behavior.

Effectiveness is predicated on both cognitive and behavioral knowledge and skills as well as expertise developed over time. In reality, global leaders use cognitive and behavior skills and knowledge simultaneously or iteratively in descriptions of their problem solving and decision-making processes and methods for dealing with extreme uncertainty in challenging global leadership incidents (Osland et al., 2007). Therefore, competencies are a very important starting point in a new field, but they do not tell us everything we need to know about global leadership. John Fulkerson (1999: 29) wrote that "Leaders don't think in terms of competencies but in terms of actions and outcomes." The following approaches to global leadership take us another step closer to actions and outcomes.

The Women Global Leader Approach

Women Global Leaders in Government and Business

Adler spearheaded the first research on senior women global leaders in politics and business and has written extensively on this topic (see the references in Adler & Osland, 2016). She studied women from sixty countries using archival data and interviews (Adler, 1997). Adler identified the following characteristics of women global leaders, some of which reflect gender differences in their path to power and the way they utilize power (2001: 90–96):

1. *They come from diverse backgrounds.* Their route to leadership shows no predictable pattern.

2. *They were not selected solely by women-friendly countries or companies.*

3. *Their selection symbolizes hope, change, and unity.* Their position as outsiders and selection against the odds implies the possibility of societal or organizational change. Violeta Chamorro of Nicaragua and Corazon Aquino of the Philippines were voted president after their husbands were assassinated. They symbolized the desire for national unity.

4. *They are driven by vision, not by hierarchical status.* For instance, Dame Anita Roddick, founder and former CEO of The Body Shop, was not driven to be a CEO but to practice corporate idealism as far back as the early '90s

   > Leaders in the business world should aspire to be true planetary citizens. They have global responsibilities since their decisions affect not just the world of business, but world problems of poverty, national security and the environment. Many, sad to say, [have] duck[ed] these responsibilities, because their vision is material rather than moral (Roddick, 1991: 226).

5. *They use broad-based popular support rather than traditional, hierarchical party or structural support.* Women political leaders gained support directly from the people, while female entrepreneurs gained support directly from the marketplace.

6. *Their path to power is through lateral transfers rather than the traditional path up the hierarchy.*

7. *They leverage the increased visibility they receive as women or "the first woman."* They receive more media attention than men, which they can use as a platform.

Although many of the women studied received a great deal of media attention, their intended circle of influence did not extend beyond their country or company. Adler's major contributions to global leadership lie in recognizing who senior women leaders are and what percentage of senior leaders they comprise, understanding their path to power, and the unique way they wield that power.

Adler's research also provides a useful baseline, based on the archival data tracking the number of women in high-level positions around the world. The numbers of women presidents and prime ministers increased rapidly from zero in the 1950s to 147 in early 2016. During the last fifty years, half of the 145 countries studied in the World Economic Forum's Global Gender Gap Index 2015 annual report (WEF, 2016) had a woman head of state, although some served only for short periods.

By contrast, research from other sources shows that the numbers for women leaders in business merely inch up annually (Fairchild, 2014), and there is little hope that this will change quickly (WEF, 2015). Globally, most women CEOs have founded their own firm, taken over family businesses (FEI Report, 2015), or led social enterprises (Estrin, Mickiewicz, & Stephan, 2013). There are far fewer female CEOs in publicly held corporations. In the beginning of 2015, there were only 24 women CEOs in U.S. *Fortune 500* companies and 27 in the *Fortune 1000*, comprising 5.1 percent; a similar percentage was found in similar lists of top UK and

Canadian businesses (Adler & Osland, 2016).

Adler (2001) noted that traits and qualities generally associated with women have been linked to global leadership competencies (for a recent comparison, see Adler & Osland, 2016). Some research has found that women have a more participative, interactional, and relational leadership style (Fondas, 1997) said to be more suited to a global setting (Hampden-Turner, 1994); women also reportedly possess multiple intelligences (emotional and cultural intelligence) that could help position them to be effective global leaders (Breithaupt, 2015). Adler does not assume that women are better at global leadership than men, but she has argued eloquently in her writings that women should be allowed to participate fully in a new form of 21st-century global leadership that emphasizes unification rather than divisiveness and promotes the creation of a healthy, economically vibrant, sustainable global society.

Years back, Adler (c.f., 1997; 2001) pointed out that most leadership research studied men. This is also true of global leadership research (Adler & Osland, 2016). "Of eight empirical global leadership studies (not focused solely on women) between 1995–2009, half did not report the gender composition in their sample; the percentage of women participants in the other half ranged from 0–36%, an average of 16%" (Adler & Osland, 2016: 44). The lack of diversity in the early research is seldom addressed or explained; perhaps the most likely explanation may well be the smaller numbers of women in high-level positions at that time, particularly in certain industries. Today's samples are more gender balanced. Nevertheless, we are left with an important question: are the early global leadership research findings generalizable to both genders? More research on women global leaders is needed to answer this question and to determine if there are any significant differences between women and men global leaders.

Adler and Osland (2016) caution scholars that the most salient characteristic in high-level global leaders may well be role rather than gender. Ayman and Korabik (2015) also expect few gender differences in global leadership competencies or potential. Based on research showing differences in societal and superiors' judgments about women that result in stereotyping, perceived role incongruence, and cultural perceptions of status and privilege; however, they question whether such perceptions help or hinder women global leaders (Ayman & Korabik, 2015). Gender might play a greater role in perceived global leader effectiveness. Adler and Osland (2016) remind scholars to ensure that global leadership samples include gender diversity and warn against mixing women from different hierarchical levels since their roles and competency levels are quite different (Kanter, 1977). Although research on women global leaders is growing (c.f., Ngungiri & Madsen, 2015), many research questions have yet to be addressed (for a comprehensive list, see Adler & Osland, 2016).

Women Global Leaders and Corporate Boards and Performance

More organizations regularly report on the numbers of senior women in government or business (e.g., Catalyst, Deloitte, Credit Suisse, World Economic Forum's Global Gender Gap Index). Credit Suisse (2016) is one of the most recent studies that replicates earlier findings that gender diversity in senior roles paid off in the form of "excess stock market returns and superior corporate profitability." Despite growing evidence that women board members correlates with higher corporate performance, a look at their actual numbers reveals a mixed picture. A study of 3000 global companies found the percentage of women board members increased to 14.7 percent in 2015, up 54 percent from 2010 (Credit Suisse, 2016). The percentages of women board members are highest in eight European countries due in part to set quotas (or an informal quota in the case of the Netherlands) ranging from 30 to 40 percent on public limited liability companies boards (Smale & Miller, 2015). In 2003 Norway was the first country to set a quota of 40 percent females or face dissolution of the corporation (Smale and Miller, 2015). The highest percentage of women represented on corporate boards is found in Norway (46.7 percent), France (34.0 percent), Sweden (33.6 percent), Italy (30.8 percent), and Finland (30.8 percent) (Credit Suisse, 2016). The number of women board members in major Canadian and US companies is increasing steadily and was 20 percent as of 2014 (Catalyst, 2014). Regionally, however, the Americas and Asia-Pacific countries lag far behind Europe (Deloitte, 2014). In 2014, Japan had 1.6 percent women board members, India 8.3 percent, China 10.7 percent, and Hong Kong 10.8 percent (Deloitte, 2014). Women still have a ways to go before they hold the chair position on boards; globally, only 4 percent of board chairs are women (Deloitte, 2014).

Toh and Leonardelli's (2012) research devised a cultural explanation for the varying percentages of women on corporate boards mentioned above. They combined leadership categorization theory (i.e., whether or not women fall into the category of leader as determined by society) and self-categorization theory (i.e., whether one sees oneself as a leader and in this case, whether people's beliefs about leadership tend to be incompatible with their beliefs about women) with the cultural concept of loose and tight cultures (Gelfand et al., 2011). Cultural tightness is the degree to which a culture has strong norms and low tolerance for deviance. Thus, deviants are more likely to be punished. Cultural looseness refers to cultures with few strongly enforced rules and a greater tolerance for deviance. Using 2005 World Bank data on the number of women legislators, senior officials and managers in 32 nations, Toh and Leonardelli (2012) found that, overall, countries with loose cultures had higher percentages of women leaders than did tight cultures due to latter's adherence to norms preferring traditional male leaders. However, there were exceptions to this finding in the form of high percentages of women in tight cultures, such as Norway, who had adopted quotas for women corporate board members. Once the quota was set, tight cultures had lower tolerance for deviance from the quota. Such countries also had a preference for gender egalitarianism (parity between genders) that influenced expectations about women leaders. Toh and Leonardelli's (2013) practical recommendation for increasing the number of women leaders on corporate boards is to resort to quotas for women in tight cultures and examples of successful women role models in loose cultures.

The Job Analysis Approach

Few global leadership studies to date have focused on effectiveness or included supervisor ratings of effectiveness (for exceptions, see Furuya et al., 2009; Story et al., 2013). Caliguiri and Tarique, however, took an industrial and organizational psychology approach and carried out a program of research that addressed the relationship among effectiveness, job tasks, antecedents, competencies, and developmental activities.

While the majority of global leader scholars directly asked participants to identify competencies or development methods, Caliguiri (2006) used a job analytic approach. She did a job analysis first (shown below) and then worked backward to determine the knowledge, skills, ability, and other personal characteristics (KSAOs) that might lead to effective performance in those tasks. International human resources professionals from European and North American firms participated in surveys and focus groups to identify ten global work

activities that are both common among and unique to global leaders. Global leaders:

1. Work with colleagues from other countries

2. Interact with external clients from other countries

3. Interact with internal clients from other countries

4. Often speak another language (other than their mother tongue) at work

5. Supervise employees who are of different nationalities

6. Develop a strategic business plan on a worldwide basis

7. Manage a budget on a worldwide basis

8. Negotiate in other countries or with people from other countries

9. Manage foreign suppliers or vendors

10. Manage risk on a worldwide basis for their unit

Next, Caligiuri and Tarique (2009) surveyed a sample of 256 nominated global leaders (91 percent male) from 17 countries in a UK firm. They defined global leaders as "high level professionals such as executives, vice presidents, directors, and managers who are in jobs with some global leadership activities such as global integration responsibilities" (Caliguiri & Tarique, 2009: 336). Their findings indicate that global leadership effectiveness was predicted by high-contact leadership development activities, moderated by the personality characteristic of extraversion. High-contact activities included structured rotational leadership development programs, short-term expatriate assignments, long-term (greater than one year) expatriate assignments, global meetings in other countries, membership on global teams, and mentoring by people from other countries. In contrast, low-contact activities comprised formal university coursework, cross-cultural training programs, psychological assessments, assessment centers for leadership development, diversity training programs, and language training programs. Effectiveness was measured by self-report data that employed a 5-point Likert scale (1 = not at all effective, 5 = very effective) for each of the ten task items identified in the previous paragraph. An acknowledged limitation of this study was single source data—the absence of performance ratings from a source other than the participants.

This limitation was rectified in the final stage of their study, which also included performance effectiveness data from the participants' immediate supervisors (Caliguiri & Tarique, 2012). A sample of 420 global leaders or international executives was matched with 221 supervisors in three large multinational conglomerates. The former group was identified by human resource personnel as "global leaders" who were engaged in global work. The global leader sample included participants from 41 countries, 64 percent from the United States, and almost one-quarter female. Global leaders who possessed more available cultural responses were rated by their supervisors as able to work effectively with colleagues from different cultures. Findings also indicated that the combined effect of three personality characteristics (extraversion, openness to experience, and conscientiousness) and cultural experiences (both organization-initiated experiences and prior nonwork experiences) predicted dynamic cross-cultural competencies (tolerance of ambiguity, cultural flexibility, and reduced ethnocentrism) (Caliguiri & Tarique, 2012). These competencies in turn predicted supervisor ratings of global leader effectiveness, which means they function as mediators between developmental experiences and personality characteristics as they relate to global leader effectiveness. Organization-initiated cross-cultural experiences included these specific high-contact activities: long-term expatriate assignments, membership on a global team, mentoring by a person from another culture, and meetings in various international locations. Nonwork cross-cultural experiences included family diversity, international vacation travel, international volunteer work, and study abroad.

The practical lessons for companies are that not everyone benefits equally from cross-cultural developmental experiences, and not all experiences are equal. Organizations should assess employees to determine which ones have the requisite personality traits that lead to cross-cultural competencies. They should also ensure that experiences are high contact in nature, which means they should provide trainees with opportunities to learn and practice appropriate behaviors and have a considerable amount of interpersonal contact

The Cognitive Approach

Global Mindset

The cognitive competency that has received the most attention from global leadership writers and researchers to date is global mindset (c.f., Gupta & Govindarajan, 2002). Simply put, a highly complex global context requires matching cognitive complexity in humans in order for individuals and firms to make sense of the global context and function effectively. The concept has been conceptualized and measured in various ways (for reviews, see Andresen & Bergdolt, 2017; Clapp-Smith & Lester, 2014a; Hruby, Hanke, & Watkins-Mathys, 2016; Levy et al., 2007; Osland, Bird, & Mendenhall, 2012). The most generally accepted definition is "a highly complex cognitive structure characterized by an openness to and articulation of multiple cultural and strategic realities on both global and local levels, and the cognitive ability to mediate and integrate across this multiplicity" (Levy, Beechler, Taylor, & Boyacigiller, 2007: 244). Thus, Levy and her colleagues (Levy et al., 2007) frame global mindset as two dimensions: cosmopolitanism and cognitive complexity.

The centerpiece of Beechler and Javidan's (2007) model of global leadership is global mindset. Leaders with a global mindset possess: 1) global intellectual capital (knowledge of the global industry, knowledge of global value networks, knowledge of the global organization, cognitive complexity, and cultural acumen); 2) psychological capital (positive psychological profile, cosmopolitanism, and passion for cross-cultural and cross-national encounters); and 3) social capital (structural, relational, and cognitive social capital). Their descriptions of the components of global mindset include many of the behavioral global leadership competencies discussed earlier in the chapter. The distinction between constructs such as global leadership and global mindset and whether they should include both cognitive and behavioral aspects has yet to be resolved in some research and assessment measures.

Scholars have begun to ponder how global mindset overlaps with cultural intelligence (CQ) (for reviews of cultural intelligence, see Thomas et al., 2008; Ott & Michaelova, 2016). A recent review and comparison of both global mindset and CQ (Andresen & Bergdolt, 2017 190–191) concludes that the two concepts have different research functions. Since global mindset focuses on personal attributes as well as cognitive knowledge and skills, it is required for normative and strategic tasks and allows a person to assess business practices and their applicability internationally. In contrast, cultural intelligence, which refers primarily to behavioral and cognitive dimensions, is more appropriate for operative work, such as expatriates working in one specific foreign company. CQ was originally defined and measured in terms of cognitive, motivational, and behavioral components (c.f., Ang, Van Dyne, Koh, Ng, Templer, Tay-Lee, & Chandrasekar, 2007). However, Thomas and his colleagues' (2015) most recent conceptualization of CQ includes only the cognitive component.

Expert Cognition in Global Leaders

Another team of scholars (Osland, Bird, Osland & Oddou 2007) set out to identify what expertise in global leaders looks like, with the hope of accelerating its development in trainees and students. Their findings contribute to a greater understanding of global leadership cognition, the interactive process of global leadership, and how they perceive their work. Relying on the expert cognition literature, they began with a conceptual argument that global leaders are experts who develop a specific expertise required by the unique challenges of leading in a global context (Osland & Bird, 2005). Because experts have more on their cognitive "radar screens" and have more effective and appropriate behaviors to draw upon, the researchers assumed there might be more to learn from this population than from average or ineffective global leaders. In a qualitative exploratory study, participants who had successfully carried out a global change were nominated by HR personnel, other global leaders, and consultants (Osland et al., 2007; Osland, 2010; Osland, Bird, & Oddou, 2012; Osland, Oddou, Bird, & Osland, 2013). Subsequently, they were vetted by the research team to ensure they met the selection criteria: 1) a global focus in their work (as opposed to a single-country or regional focus); 2) documented success as a global change agent; 3) at least ten years of experience as a leader in their field to qualify as an expert; and 4) demonstrated intercultural competence. These criteria winnowed out all

but the very best candidates in organizations.

Utilizing cognitive task analysis, a methodology designed to distinguish between experts and novices, they employed structured interviews that combine critical incidents and hierarchical task analysis. Methodological guidelines indicate that conducting CTA with three to five experts is sufficient for identifying expert cognitive perspectives and processes because experts share the same domain expertise (Crandall et al., 2006). However, the researchers took a more conservative approach and increased their sample to 20 participants. The final set of 20 global leaders included American, Indian, French, and German participants. All but one participant was male because the mostly high-technology companies did not nominate women global leaders.

Participants were prompted to relate a story concerning the implementation of a significant and successful global change initiative that a novice could not have accomplished. Content analysis revealed that these global leaders described their work context as precarious and ambiguous, involving huge challenges and many multiplicities to manage (Osland, Bird, & Oddou, 2012). Many of them were sailing in uncharted waters, charged with missions no one had accomplished before. They dealt with the resulting ambiguity by choosing the right team members, relying on a learned problem solving process, and trusting the team and their own capability to figure things out along the way—even if they had no clear sense of what the exact outcome would look like. They described their approaches to work in terms of: problem solving, strategic thinking, boundary spanning and stakeholder management, and global skills. These global leaders interacted with their environment via multiple forms of sensemaking (Osland, Taylor, & Mendenhall, 2009), as shown in a case study of a typical global leader who successfully resolved a challenging, complex problem for a high-tech company (Osland, 2010). A closer look at the work context of global leaders illustrated its influence on their expertise development and provided useful distinctions between domestic and global leaders (Osland, Bird, & Oddou, 2012).

A recent follow-on study confirmed similar characteristics of expert cognition in this stream of research. Osland, Ehret, and Ruiz (2017) described two case studies of large-scale global change projects accompanied by CTA interviews with the expert global leaders who directed these initiatives. The knowledge audits identified the cues they attended to and the behavioral strategies they utilized for each aspect of expert cognition, along with the perceived difficulties novices would experience. Their findings also articulated the cognitive demands of large-scale global change. (For more information, see Chapter 9.) The expert cognition approach to global leadership identifies both cognitive and behavioral strategies and skills that provide useful guidance in designing training that accelerates the development of global leadership expertise.

The Behavioral Approach

The behavioral approach in global leadership research is just beginning. Up to this point, global leadership research methods were limited primarily to surveys and interviews. Thus, researchers asked subjects how global leaders behaved or obtained self-reports from global leaders themselves. But no one observed the actual behavior of a global leader sample, a more objective source of data, until Tina Huesing's (2016) dissertation replicating Mintzberg's (1973) seminal observation study of managerial behavior. She carried out informal interviews, collected archival data, and observed five global leaders from five industries for five days. Utilizing content analysis, Huesing and Ludema (2017) identified ten distinguishing characteristics of global leaders' work: (1) multiple time zones and geographical distance, (2) long hours; (3) flexible schedules and fluid time, (4) dependence on technology, (5) time alone connected to others, (6) extensive travel; (7) functional expertise with global scope, (8) facilitation of information, advice, and action; (9) management of complexity; and (10) confrontation of risk.

Some highlights of their findings indicate that global leaders work an average of 10 more hours weekly than did Mintzberg's (1973) CEOs. Global leaders have to make themselves available throughout the day and night, given different time zones, and they also have to inform themselves about global news. These requirements blur the line between work and private time. The global leaders functioned as hubs of communication and coordination. "Because their teams were located around the world, they played an important role in keeping the teams together and helping them deal with uncertainty and ambiguity. Comments like, 'I'm their life line,'

or 'It's all about getting people to work together across the many divides,' were common" (Huesing & Ludema, 2017: in press). These global leaders made complex decisions by relying upon local partners with local knowledge, which confirms the growing acknowledgment that the greater complexity and ambiguity in the global context nudges global leaders toward a shared leadership style.

Typological Theory

As noted previously in this chapter, the study of global leadership research has been hampered by the lack of a common construct definition. Some samples contain expatriates and global managers rather than global leaders, according to the definition we set out in chapter 1. This makes it difficult to compare and consolidate findings and prevents the field from progressing. Mendenhall, Reiche, Bird, and Osland (2012) tackled the problem of construct definition by unpacking the meaning of "global" in global leadership. After reviewing the literature, they argued that global has three dimensions: contextual, relational, and spatial-temporal. The contextual dimension refers to the level of *complexity* inherent in an international leader's responsibilities, which determines whether they merit the research designation of global leader. The relational dimension refers to *flow*, which relates to the boundary-spanning aspect of their work. The degree of flow can be assessed by measuring the richness (frequency, volume, and scope of information flow) and quantity (number of channels required to perform the requisite boundary spanning in the role). The spatial-temporal dimension is termed *presence*. It refers to the degree to which an individual has to physically move across geographical, cultural, and national boundaries rather than communicate across them using virtual technologies. These three dimensions can be employed to select samples and to distinguish among global managers, domestic leaders, and global leaders.

This research team next turned their attention to the question of how to distinguish among different types of global leaders. They concluded that task and relationship complexity are the critical contingency factors in global leader roles. The result is a global leader typology (Reiche, Bird, Mendenhall, & Osland, 2017), described in greater detail in Chapter 13. The four ideal-types in this typology (incremental, operational, connective, and integrative global leadership) differ along two role characteristics: 1) task complexity—reflecting the variety and flux within the task context, and 2) relationship complexity—reflecting the various boundaries and the degree of interdependence within the relationship context.

This typology is the first step toward global leadership theory. Typologies are especially useful in young fields of research. In the global leadership field, this typology could advance the field by helping researchers select and describe their samples more precisely (to avoid comparing apples with oranges and enable future comparison studies and meta-analyses) and by spurring more cohesive theoretical and empirical studies.

New Directions in Global Leadership Research

Most of the emerging research foci, primarily in the conceptual phase, can be categorized as a relational approach to global leadership. The following constructs are garnering increasing attention: followership, boundary spanning and bridge-building, multiculturalism, social capital, social networks and stakeholder models, global citizenship, political capital, and positive leadership.

Tolstikov-Mast (2016) was the first to apply the lessons of followership from traditional leadership research to the field of global leadership. Her ground-breaking work in this area includes theoretical propositions to launch the study of global leader followership. Robinson and Harvey (2008) conceptualized the psych-social relationship between global leaders and followers in a culturally diverse world.

The concept of boundary spanning is gaining more attention. For example, Butler and colleagues (Butler, Zander, Mockaitis, & Sutton, 2012) conceptualized the boundary-spanning, bridge-building, and blending skills required of global leaders. Research-based books for practitioners emphasize similar skills for crossing boundaries (Ernst & Chrobot-Mason, 2011; Williams, 2015).

In addition to geographic boundaries, global leaders also cross identity-based boundaries to enable interaction

by members of various groups. Herman and Zaccaro (2014) examined the identity issue of the complex self-concept of global leaders. Self-concept is a cognitive schema that structures self-relevant information, mediating the interaction between leaders' external environment and internal processes and guiding their cognition, affect, behavior, and self-regulation (ibid., 94). It follows, therefore, that self-concept can impact a leader's effectiveness and performance. Self-concept complexity refers to the number (differentiation) of cognitive elements as well as the integration of those elements. Herman and Zaccaro (2014) apply self-concept complexity to global leadership by stating that global leaders could be differentiated in terms of the number of cultures with which they identify and integrated in their perceptions of the shared values or principles that unite their cultural identities. For example, "My most important values are being kind and making a difference, but the way I live these values is quite different depending on the role I'm playing" (Herman & Zaccaro, 2014: 95). Therefore, they merged cultural identity with leader cognition to determine how global leaders become complex enough to handle the inherent complexity in their roles.

Similarly, researchers argue that multiculturalism might be a possible antecedent to global leadership (Fitzsimmons, Lee, & Brannen, 2013). An investigation of three studies, totaling 1,196 participants, tested the relationships between multicultural identity patterns and personal, social, and task outcomes (Fitzsimmons, Liao, & Thomas, 2017). Individuals with more cultural identities had more social capital and a higher degree of intercultural skills. The sample utilized was not limited to global leaders, but these findings provide an empirical basis for future research on multiculturalism and global leadership.

The concept of social capital has also been linked to global leadership (c.f., Harvey & Noricevic, 2004; Hitt, Keats, & Yucel, 2003; Maak, 2007) and global mindset (Beechler & Javidan, 2007; Petrick, Scherer, Brodzinski, Quinn, & Fall Ainina, 1999). It is defined as "the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit" (Nahapiet & Ghoshal, 1998: 243). Social capital has numerous advantages in MNCs (c.f., Taylor, 2007) and is described as structural (e.g., effective flow of knowledge and coordination), relational (e.g., trust, willing to share knowledge and collaborate), and cognitive (e.g., shared goals and frames of reference) by Taylor (2007), who also describes how international human resource management can develop social capital. Al Arkoubi and Davis (2013) argue that social capital is crucial for organizational and social growth and outline how social capital and global leadership can be developed. Since social capital is often developed through networks, many global leadership development programs have a networking component (see Chapter 10; Espedal, Gooderham, & Evensen, 2012).

Networking ability can also relate to one's position in a social hierarchy. Levy and her colleagues (Levy, Taylor, Boyacigiller, Bodner, Peiperl, & Beechler, 2015) found that social hierarchy (determined by differential control or access to various forms of capital or strategically valuable organizational resources) influenced employee sensemaking and perceptions of senior leadership opportunities. They employed multilevel analysis with 2039 surveys from seven MNCs to demonstrate that host country nationals and third country nationals perceived that nationality and location influenced their access to senior leadership opportunities more than parent country nationals did. This study has implications for what types of employees attain global leadership positions and the need to pay attention to social hierarchies.

Davila, Rodriguez-Lluesma, and Elvira (2013) take a humanistic approach and focus on the complexity of social relationships and the resulting need for stakeholder management. They also highlight the "moral work" reflected in global leaders' responsibilities to different stakeholders. Thus, they take a citizenship approach to global leadership at both the individual and firm level, in keeping with some of the research on responsible global leadership in Chapter 12. The positive psychology movement is beginning to make inroads in the field of global leadership via work on positive leadership (Youssef & Luthans, 2012) and studies of psychological capital and global leaders (Vogelgesang, Clapp-Smith, & Osland, 2014; Story, Youssef, Luthans, Barbuto, & Bovaird, 2013).

In addition to the emergent relational approach described above, another trend in global leadership research is the linkage of global leadership to other fields and phenomena, such as global and virtual teams, global talent management, ethics, gender, strategy, knowledge transfer and creation, trust and commitment, international

service learning, and so forth (Mendenhall, Li, & Osland, 2016).

What Do We Know and Still Need to Know about Global Leadership?

This section summarizes research progress made and identifies holes in the literature for researchers. As with most young fields, the quality and focus of research vary. Despite valuable contributions to date, not all global leadership findings are definitive, and the field is still evolving. While the field is making good progress, many gaps still remain. Here's a brief summary of where we stand.

Construct Definition and Global Leadership Roles

Construct definition has been discussed, and definitions have been proposed that distinguish global leaders from other global workers, managers, and expatriates (Mendenhall et al., 2012; Reiche et al., 2017). It is too soon to tell if the field will converge around these definitions or if other scholars will have better suggestions. But at least this basic requirement has been addressed and the dialogue is opened. The typology identifying different types of global leadership roles (Reiche et al., 2017) should also help researchers with sample selection and theorizing.

Global Leadership Competencies

Scholars seem to accept that global leadership is a multidimensional concept with different categories of competencies. Some competencies surface repeatedly, for example, cognitive complexity, behavioral flexibility, intercultural competence, learning ability, and integrity. The competency research is extensive and accepted, although some scholars might argue about how to categorize the ever-growing lists of competencies. Bird's categorization in the following chapter provides necessary simplification. At present, we need more specific studies that tell us which competencies are more important in specific situations, career stages, and organizations. Empirical research should be conducted on how the various global leadership competencies influence one another, or assume greater or lesser importance due to context, task, or cultural distance and under what conditions they develop and can be deployed (Mendenhall, 2001). Finally, the ability to measure the level of global leadership capacity in both individuals and organizations would be very useful.

Beyond Competencies to a Holistic View of Global Leaders

Wills and Barham (1994) conceived of behavioral competencies and skills as merely the outside layers of what characterizes successful global leaders. To focus solely on behavioral competencies would be misleading if they are correct that global leaders operate from a deeper holistic core competence composed of cognitive complexity, emotional energy, and psychological maturity. Kets de Vries and Florent-Treacy (2004) also take a more holistic view of global leaders. Yet another concern is that the unique nature of leadership and its motivators may have nothing at all to do with competencies. As Margaret Wheatley stated, "I think we start in the wrong place if we ask, 'What are the traits that I have to acquire?' The place to start is, 'What are the things I care about that I'm willing to step forward to figure out how to be a leader?'" (Madsen & Hammond, 2005: 75). The passion to make a difference and the willingness to allow others to participate in creating it is more likely to result in leadership success than simply acquiring and checking off a list of competencies.

Global Leadership Tasks

Scholars have focused more on what global leaders are like (a trait approach) than on what they actually do. However, we now have a much better, if still incomplete, understanding of this topic. Caligiuri (2006) identified ten tasks resulting from a job analysis (e.g., works with colleagues from other countries, negotiates in other countries or with people from other countries, manages worldwide budget). These tasks are situational or contextual (i.e., people who find themselves in global jobs could be expected to perform these objective tasks, which provides a useful task domain). Job analysis, however, never describes the complexity of how people

carry out these tasks effectively, and in the global leadership field, it does not resolve the global manager versus global leader question. Being assigned those tasks does not necessarily make a person a leader. Kets de Vries, Vrignaud, and Florent-Treacy's (2004) list of twelve global leader tasks focuses more on the leadership actions that influence employees (e.g., "inculcating a global mentality in the ranks—instilling values that act as a sort of glue between the regional and/or national cultures represented in the organization"), the organization (e.g., "creating the proper organizational design and control systems to make the guiding vision a reality, and using those systems to align the behavior of the employees with the organization's values and goals"), and self-management (e.g., "articulating and modeling the importance of the need for life balance for the long-term welfare of employees").

Global Leadership Expert Cognition and Behavior

The expert cognition research (Osland et al., 2007; Osland, 2010; Osland, Bird, & Oddou, 2012; Osland, Ehret, & Ruiz, 2017) yields critical incidents describing how expert global leaders view their context and their work and how they use various forms of sensemaking to interact with their environment and the people in it (Osland, Taylor, & Mendenhall, 2009). The knowledge audits in two descriptions of large-scale change projects describe both cognition and behavioral strategies (Osland et al., 2017). These studies bring us closer toward explicating process models of global leadership, but more descriptive research is needed for clearer understanding and to guide training and development programs.

Observed Global Leadership Behavior

Huesing and Ludema's (2017) observation of the nature of global leader work provides minute descriptions of how a small sample of global leaders spent their time and dealt with the unique demands of their work. Their work tasks were compared to those of domestic CEOs observed by Mintzberg (1973). This is the first study utilizing behavioral observation, which represents a large step forward that we hope other researchers will follow.

Global Leadership Effectiveness

Understanding the antecedents and predictors of global leadership effectiveness has always been hampered by the limited number of studies that used samples of nominated effective global leaders (e.g., Wills & Barham, 1994; McCall & Hollenbeck, 2002; Osland et al., 2007; Osland, Bird, & Oddou, 2012 and a partial sample in Black et al., 1999). Work by Furuya and his colleagues (2009) and Caligiuri and Tarique (2009; 2012; 2013) provides direction for much-needed future research on effectiveness. Systematic analyses of factors that promote or impede global leadership effectiveness and development are needed. The determination of measures for global leadership outcomes, effectiveness, and performance are extremely important foundational research topics.

Theoretical and Longitudinal Research

Models from exploratory research should be tested or developed to yield models or theories amenable to the generation of propositions and hypotheses that, in turn, can be empirically tested (Mendenhall, Weber, Arnadottir, & Oddou, 2017). More longitudinal research on global leadership developmental process and development best practices would be helpful. To avoid a Western and male bias, future research should include globally diverse subjects and settings.

Women Global Leaders

Early global leadership research either did not include many women or did not report gender composition in their samples (Adler & Osland, 2016). More balanced gender samples would put to rest any concerns about the generalizability of early findings. In some large-scale global leadership studies, limited significant gender differences emerged (Adler & Osland, 2016). Comparative research on different paths to global leadership and perceived effectiveness would be fruitful.

Antecedents and Selection

Several studies have pointed out the importance of a diverse family background and international exposure and cultural contact during childhood (e.g., Kets de Vries & Florent-Treacy, 2002; McCall & Hollenbeck, 2002; Caligiuri, 2004). However, Osland and her colleagues (2007) found that not all expert global leaders developed in this fashion. What is the impact of childhood, family background, and early international experiences, and is this a requirement in all profiles of global leaders? Given the importance of the motivation to learn in developing the necessary global leadership skills and knowledge, future research could describe more fully the role played by motivation to learn and learning (Jokinen, 2005). We have limited knowledge on the antecedents of global leadership, which would be helpful for selection practices.

Cross-fertilization of Global and Traditional Leadership

The separation between global and traditional research is understandable given their different historical paths. Even today, it is not uncommon to read articles with global leadership in the title that fail to mention any of the global leadership research presented in this book. Global leadership scholars can be accused of the same oversight, with the exception of a very small cadre (Herman & Zaccaro, 2014; Reiche et al., 2017; Tolstikov-Mast, 2016) who sought synergies between traditional and global leadership research. Both areas would be improved by greater cross-fertilization and research that incorporates findings from the other field.

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Part II

Global Leadership Competencies

Mapping the Content Domain of Global Leadership Competencies

ALLAN BIRD

Studies of newly emerging phenomena often transition through several phases. The first is characterized by wonder-tinged curiosity accompanied by an effort to find labels and names to describe a phenomenon. When myriad observers are exploring simultaneously, they are likely to come up with different names or focus on different aspects of the phenomena, assigning unique descriptors. Transition to the next phase occurs when the observers become "groundskeepers" and set about pruning the labels and ordering the descriptions. But the newly formed garden doesn't flourish until borders are established and distinctions are made among plants.

From the early 1990s forward, a growing number of scholars have studied global leaders and attempted to delineate the competencies that are critical to their success. Reviews of this literature (Bird & Osland, 2004; Jokinen, 2005; Mendenhall, 2001a; Mendenhall & Osland, 2002; Osland, 2012; Osland et al., 2012; Saltsman, 2014) found that social scientists have delineated over 200 competencies that influence global leadership effectiveness; however, many of these competencies overlap conceptually and are often separated only by semantic differences (Jokinen, 2005; Osland, 2012).

Unfortunately, further progress in delineating the relationships among various competencies within the global leadership competency literature will be difficult without first bringing some order to the global leadership garden. Building on the strong foundation provided in Chapter 3, in this chapter we offer an organizing framework. To avoid unnecessary duplication, we will refer primarily to models, competencies, and research addressed previously. Nevertheless, we refer the reader to Chapter 3 for more detailed discussion of the specific models and competencies.

A decade previously, Mendenhall and Osland (2002) documented this trend of proliferation when they identified 56 different competencies. Since then, there has been a nearly four-fold explosion in competencies. Their initial efforts at cultivating and ordering the garden of global leadership consisted of grouping the many dimensions into six broad categories, reflecting the type of competency—traits and values, cognitive orientation, and so forth (see Table 4.1).

Table 4.1 The Terrain of Global Leadership Constructs

Cross-Cultural Relationship Skills	Traits and Values	Cognitive Orientation	Global Business Expertise	Global Organizing Expertise	Visioning
Building Relationships	Inquisitiveness and Curiosity	Environmental Scanning	Global Business Savvy	Team Building	Articulating a tangible vision and strategy
Cross-Cultural Communication Skills	Continual Learner	Global Mindset	Global Organizational Savvy	Continuity Building	Envisioning
Ability to emotionally connect	Accountability	Thinking Agility	Business Acumen	Organizational Networking	Entrepreneurial Spirit
Inspire, Motivate	Integrity	Improvisation	Stakeholder	Creating Learning	Catalyst for Cultural

Others			Orientation	Systems	Change
Conflict Management	Courage	Pattern Recognition	External Orientation	Architecting and Designing	Catalyst for Strategic Change
Negotiation Expertise	Commitment	Cognitive Complexity	Results-Orientation	Global Networking	
Empowering Others	Hardiness	Cosmopolitanism		Strong Customer Orientation	
Managing Cross-Cultural Ethical Issues	Maturity	Managing Uncertainty		Business Literacy	
Social Literacy	Results-Orientation	Local vs. Global Paradoxes		Change Agentry	
Cultural Literacy	Personal Literacy	Behavioral Flexibility			
	Tenacity				
	Emotional Intelligence				

Source: Adapted from Mendenhall, M., & Osland, J. "Mapping the Terrain of the Global Leadership Construct." Paper presented at the *Academy of International Business*, San Juan, Puerto Rico, June 29, 2002.

Consideration of the six categories raises several questions about the organizing structure. For example, the six categories are not of the same qualitative type or conversely, conceptually overlap. Skills are qualitatively different from values. Some types of expertise may overlap with certain types of cognitive orientation, the latter of which may be a consequence of expertise or vice versa.

Three years after the Mendenhall and Osland effort, Jokinen (2005) sought to order the field by reviewing the literature and synthesizing competencies into three broad "layers," as presented in Table 4.2. The *Fundamental Core* consisted of those predispositional personality competencies that provided a foundation on which other competencies could stand. *Mental Characteristics* constituted those attitudes, cognitive skills, and processes that aided information processing and mental functioning. Finally, *Behavioral Skills* encompassed that broad set of competencies that supported effective action. A careful consideration of the layers suggests some categorical ambiguity (e.g., knowledge is not behavior). Similarly, *Optimism*, though included in the *Mental Characteristics* layer, is usually understood to be a personality characteristic and so more likely fits into the *Fundamental Core* range. A broader critique of the Jokinen conceptualization is that it is overly focused on within-person and interpersonal competencies, leaving business and organizational capabilities largely unaddressed.

In a study of global leadership competencies in education, Saltsman (2014) adopted an alternative approach to integration and synthesis of the myriad competencies that others have previously identified. He undertook a qualitative meta-analysis of 70 individual studies that address, in one form or another, identification of global leadership competencies. He identified 522 competencies, which he subsequently combined with a set of 239 education leadership competencies gleaned from a second meta-analysis. These were combined in a third meta-analysis, which led to a final sorting process that generated 61 distilled competencies.

Table 4.2 Jokinen's Synthesis of Global Leader Competencies

Layers of Competencies	Competencies
Behavioral Skills	Social skills
	Networking skills
	Knowledge
	Optimism
	Self-regulation
	Motivation to work in an international environment
Mental Characteristics	Social judgment skills

	Empathy
	Cognitive skills
	Acceptance of complexity and its contradictions
	Self-awareness
Fundamental Core	Engagement in personal transformation
	Inquisitiveness

Source: Jokinen, T. (2005) Global leadership competencies: A review and discussion. *Journal of European Industrial Training,* 29(3): 199–216

In the ensuing years since Jokinen's integrating and synthesizing effort, the field has expanded further, with researchers proposing new competencies and suggesting new organizing frameworks. In the following section, we review these efforts—both theoretical and empirical—and propose a general organizing scheme.

Organizing the Global Leader Competencies

To comprehend the proliferation of identified global leader competencies we reviewed theoretical and empirical studies published from 1993 to 2016. The first serious work on global leadership incorporating an organizing framework and competencies was Rhinesmith's 1993 volume. The most recent publication was that of Hassanzadeh, Silong, Asmuni, and Whahat (2015). Over this twenty- three-year time period, 42 refereed journal articles, book chapters, or volumes presented more than 200 separate competencies associated with global leadership. The list of publications and their attendant competencies are shown in Table 4.3.

Although Rhinesmith (1993) and Yeung and Ready (1995) preceded it by several years, Brake's (1997) volume is the first to suggest a set of competencies and a clearly defined organizing framework. Brake proposed three groupings of competencies—*Business Acumen, Relationship Management,* and *Personal Effectiveness.* Subsequently, several others have suggested groupings that follow a similar pattern. For example, Rosen and associates (2000) identify four "literacies." However, their set of sixteen competencies can largely be grouped into the three categories that Brake roughly defines. Similarly, Bird and Osland (2004), which they extend in Osland & Bird, (2008), propose what they call a global leadership pyramid, with four levels, but again the groupings that emerge can easily be sorted into a three-category set. Other works, for example, Kets de Vries and Florent-Treacy (1999), McCall and Hollenbeck (2002), Goldsmith and associates (2003), or Gitsham (2009) don't identify "umbrella" labels to order group competencies. Nevertheless, each of these, as well, lend themselves to a grouping roughly consistent with Brake's formulation. To that end, we propose three categories of competencies—*Business and Organizational Savvy, Managing People and Relationships,* and *Managing Self.* We discuss each of the three, as well as the specific competencies that fall within their purview in subsequent sections.

Before moving on, however, it is worthwhile to point out several other conclusions that can be drawn from the list of competencies presented in Table 4.3. First, scanning the columns and rows, it is apparent that global leadership competencies span a range of qualitatively different types. There are *predispositional characteristics of personality* (e.g., inquisitiveness, optimism, conscientiousness, extraversion); *attitudinal orientations* (e.g., cosmopolitanism; appreciating cultural diversity; results orientation); *cognitive capabilities* (e.g., cognitive complexity, intellectual intelligence, embrace duality); *motivational inclinations* (e.g., motivation to learn; tenacity); *knowledge bases* (value-added technical and business skills, global knowledge, business acumen); and *behavioral skills* (building partnerships and alliances, cross-cultural communication, boundary spanning). In other words, (and as noted in Chapter 3) the range of competencies identified is extensive and wide-ranging in type. Global leadership is a multifaceted phenomenon, and the competencies associated with performing at a high level are multifaceted as well.

Table 4.3 Competency Distribution Across the Three Primary Categories of Global Leadership Competency

Authors	Business & Organizational Acumen	Managing People & Relationships	Managing Self
Rhinesmith, (1993)	Intellectual Intelligence Business Acumen	Emotional Intelligence Cultural Acumen	Cognitive Complexity Cosmopolitanism Personal Management
Wills and Barham (1994)			Cognitive Complexity Emotional Energy Psychological Maturity
Yeung, and Ready (1995)	Articulate a tangible vision Catalyst for strategic change Catalyst for cultural change Results Orientation Customer Orientation **Business Acumen** [*]	Being able to empower others	

Brake (1997)	• Depth of Field • Entrepreneurial Spirit • Stakeholder Orientation • Total Organizational Acumen **Relationship Management** • Change Agentry • Community Building	**Relationship Management** • Community Building • Cross-Cultural Communication • Influencing	**Personal Effectiveness** • Accounting • Curiosity & Learning • Maturity • Thinking Agility
Spreitzer, McCall and Mahoney (1997)	Business Knowledge	Interpersonal Skills Cross-cultural Skills	General Intelligence Commitment Courage Ability to learn from experience **Inquisitiveness**
Black, Morrison and Gregersen (1999)	**Savvy** • Business Savvy • Organizational Savvy		**Exhibit Character** • Emotional connection • Integrity **Embrace duality** • Capacity to manage uncertainty • Ability to balance tension
Kets de Vries & Forent-Treacy (1999)	Visioning Designing & Aligning Outside Orientation	Energizing Team Building Rewarding & Feedback Emotional Intelligence	Global Mindset Tenacity Life Balance Resilience to Stress
Rosen, Digh, Singer, and Philips (2000)	**Business Literacy** • Chaos Navigator • Business Geographer • Historical Futurist • Leadership Liberator • Economic Integrator **Cultural Literacy** • Inquisitive Internationalist • Global Capitalist	**Social Literacy** • Pragmatic Trust • Urgent Listening • Constructive Impatience • Connective Teaching • Collaborative Individualism **Cultural Literacy** • Proud Ancestor • Respectful Modernizer • Culture Bridger	**Personal Literacy** • Aggressive Insight • Confident Humility • Authentic Flexibility • Reflective Decisiveness • Realistic Optimism
McCall and Hollenbeck (2002)	Able to deal with complexity Value-added technical and business skills	Cultural interest and sensitivity	Open-minded and flexible in thought and tactics Resilient, resourceful, optimistic and energetic Honesty and integrity Stable personal life
Goldsmith, Greenberg, Robertson, & Hu-Chan (2003)	Developing Technical Savvy Building Partnerships & Alliances	Appreciating Cultural Diversity Sharing Leadership	Thinking Globally
Bikson, Treverton, Moini and Lindstrom (2003)	Substantive depth related to the organization's primary business processes Strategic international understanding	Managerial ability, with an emphasis on teamwork and interpersonal skills Cross-cultural understanding	
Bird and Osland (2004; 2008)	**System Skills** • Influence Stakeholders • Lead Change • Span Boundaries • Build Community • Architecting • Global Knowledge	**Interpersonal Skills** • Mindful Communication • Create & Build Trust • Multicultural Teaming	**Threshold Traits** • Integrity • Humility • Inquisitiveness • Resilience **Attitudes & Orientations** • Global Mindset • Cognitive Complexity • Cosmopolitanism **System Skills**

Moro Bueno and Tubbs (2004)		Communication Skills Respect for Others Sensitivity	• Make Ethical Decisions Motivation to Learn Flexibility Open-mindedness
Alon and Higgins (2005); Alon et al. (2016)	Business Cultural Intelligence	Emotional Intelligence Cultural Intelligence	
Tubbs and Schulz (2006)	**Understand the big picture** • Demonstrating knowledge of the whole organization • Using systems theory • Effectively utilizing technology • Demonstrating ethical practices	**Attitudes are Everything** • Showing Inclusiveness • Demonstrating appropriate confidence in self and others	Self-Concept Extraversion Agreeableness Emotional Stability Opennes to Experience Locus of Control Need for Achievement Overcoming Adversity
Abbe, Gulick and Herman (2007)		Cultural Awareness Cognitive Complexity Cross-Cultural Schema Empathy Interpersonal Skills • Flexibility	Need for Closure Cognitive Complexity Initiative • Self-Regulation
Osland, Bird, Osland and Oddou (2007)	Strategic Thinking Oscillation between detail and big picture Boundary Spanning Stakeholder Management	Skilled "People Reading" Creating & Relying on Trust	Tolerance of Ambiguity Inquisitiveness Creative Problem Solving
Gitsham (2008)	**Context** • Environmental Scanning • Understand environmental risks & social trends **Complexity** • Responsive to Change • Finding Creative Solutions • Balancing short- and long-term considerations • Understanding Interdependence	**Connectedness** • Understand Actors • Build Relationships	**Complexity** • Flexibility • Learn from Mistakes
Caligiuri (2006); Caligiuri and Tarique (2009)	Interact with external clients from other countries Interact with internal clients from other countries Develop a strategic business plan on a worldwide basis Manage a budget on a worldwide basis Manage foreign suppliers or vendors Manage risk on a worldwide basis	Work with colleagues from other countries Often speak another language Supervise employees of different nationalities Negotiate in other countries or with people from other countries Extraversion	Openness to Experience Conscientiousness
O'Brien and Robertson (2009)	Foresight G-localism Intuition	Presence	Authenticity Agility Resilience Self-mastery Creativity
Van Dyne, Ang and Livermore (2009)		**Cultural intelligence** • Behavioral CQ	**Cultural intelligence** • Motivational CQ • Cogntive CQ • Metacognitive CQ Propensity to Act Absorptive Capacity

Author			
Bird, Mendenhall, Stevens and Oddou (2010)		**Relationship Management** • Relationship Interest • Interpersonal Engagement • Emotional Sensitivity • Self Awareness • Social Flexibility	Propensity to take risks Future Orientation **Perception Management** • Nonjudgmentalness • Inquisitiveness • Tolerance of Ambiguity • Cosmopolitanism • Interest Flexibility **Self Management** • Optimism • Self-Confidence • Self-identity • Emotional Resilience • Non Stress Tendency • Stress Management
Bücker & Poutsma (2010)		Cross-Cultural Competence Intercultural Sensitivity Intercultural Competence Communication Skills Flexibililty to operate in different cultures Motivational Skills International Leadership Skills	Global Mindset Cultural Intelligence
McCarthy (2010)	Building a shared vision Translating Vision Change Management skills Strategic Skills Virtual Work Skills	People Skills Adaptable Leadership Skills Team Management Skills Coaching and guidance Skills Language Skills Team Spirited Being personally interest in team members Delegation Skills Computer Skills Conflict Management Skills	Empathy Trustworthy Creative Tolerant Authentic Courageous Efficient **81 total (and attributes)**
Gundling, Hogan, and Cvitkovich (2011)	Frame Shifting Expand Ownership Adapt and Add Value Third Way Solutions	Cultural Self-Awareness Results Through Relationships Develop Future Leaders Influence Across Boundaries	Inviting the Unexpected Core Values and Flexibility
Butler, Zander, Mockaitis, and Sutton (2012)		Boundary Spanner Bridge Maker Blender	
Javidan and Walker (2012)	**Intellectual capital** • Global Business Savvy • Cognitive Complexity • Cosmopolitan Outlook	**Social capital** • Intercultural Empathy • Interpersonal Impact • Diplomacy	**Psychological capital** • Passion for Diversity • Quest for Adventure • Self-Assurance
Witt (2012)	Inspirational Visionary		Integrity Performance-Oriented Decisive
Youssef and Luthans (2012); Reichard, Dollwet, & Louw-Potgieter (2013)			**Positive Psychological Capital** • Hope (Cross-cultural hope) • Optimism (Cross-cultural optimism) • Self-Efficacy (Cross-cultural self-efficacy) • Resilience (Cross-cultural resilience)
Rana, Murtaza,			Self-Awareness

Authors	Business & Organizational Acumen	Managing People & Relationships	Managing Self
Rana, Murtaza, Noor, & Inam-ud-din (2013)	Knowledge About Culture		Self-Awareness Self-Regulation Cognitive skills
Sakchalathorn and Swierczek (2014)	**Global leader competencies** • Global Approach • Global initiative • Global Process • Global Customer Orientation	**Global mindset** • Collaboration • Positive Attitude **Cultural intelligence** • Cross-Cultural Understanding • Adaptabillity	**Global executive competencies** • Multiple Perspectives • Flexibility • Openness • Passion to Excel **Global leader competencies** • Balance
Saltsman (2014)	Creative Thinker Capacity to create a safe and balanced environment Capacity to create organizational learning systems Strategic Thinker Visionary Politically Aware Systems Aware Problem-Solver Negotiator Change Agent Conflict Manager Manager—General Manager—Human Resources Leader Service/Customer-minded Global Mindset Wisdom Knowledge Business Savvy Global Capitalist	Respect Empathy Listening Skills Communication skills Communication Skills—Cross- Cultural Multitasker Quality Focus Relationship builder Team Builder Manager—Cross-Cultural Team Member Social Awareness Cultural Awareness and diversity Language Skills Computer Skills	Extrovert Personal Style Low Neuroticism Humility Maturity Patience Confidence Courage Integrity/Honesty/Ethics Curiosity/Spirit of Adventure Hardiness Tolerance of Ambiguity Flexibility/Adaptablity Openness/Open-Minded Risk-take/Entrepreneurial Spirit Energetic Optimistic Persuasive/Charisma Long-term Orientation/Focus Decisiveness Life Balance/Ability to Cope Self Awareness Self Control Professional Development
Tucker, Bonial, Vanhove, and Kedharnath (2014)		**World view** • Open-Mindedness/Respect for Beliefs **Social/interpersonal style** • Instilling Trust • Adapting Socially **Situational approach** • Flexibility • Navigating Ambiguity	**World view** • Lifetime Learning **Situational approach** • Patience • Even Disposition • Humility • Locus of Control/Initiative
Hassanzadeh, Silong, Asmuni, and Whahat (2015)	Awareness • Problem Awareness • Cultural Awareness	Global Sensitivity Global Critical Thinking Team Working	Open-Minded Idealist Adaptable Fearless Self-Awareness

Major reviews of global leadership competencies focused on organizing the field

Authors	Business & Organizational Acumen	Managing People & Relationships	Managing Self
Mendenhall and	**Vision** • Articulating a tangible vision and strategy • Envisioning • Entrepreneurial Spirit	**Relationship Skills** • Close Personal Relationships • Cross-Cultural Communication Skills	**Traits** • Curiosity/Inquisitiveness • Continual Learner • Learning Orientation • Accountability

Authors	Business & Organizational Acumen	Managing People & Relationships	Managing Self
Osland (2002)	• Catalyst for Cultural Change • Change Agentry • Catalyst for Strategic Change • Empowering, Inspiring	• "Emotionally Connect" Ability • Inspire, Motivate Others • Managing Cross-Cultural Ethical Issues	• Integrity/Courage • Commitment • Hardiness • Maturity • Results Orientation
Jokinen (2005)	**Business Expertise** • Global Business Savvy • Global Organizational Savvy • Business Acumen • Total Organizational Astuteness • Stakeholder Orientation • Results Orientation **Organizing Expertise** • Community Building • Creating Learning Systems • Strong Operational Codes • Strong Customer Orientation **Behavioral Skills** • Knowledge	**Organizing Expertise** • Team Building • Organizational Networking • Global Networking **Behavioral Skills** • Social Skills • Networking Skills **Mental Characteristics** • Social Judgment Skills • Empathy	**Cognitive** • Environmental Sensemaking • Global Mindset • Thinking Agility • Improvisation • Pattern Recogntiion • Cognitive Complexity • Cosmopolitanism • Managing Uncertainty • Local vs. Global Paradox **Mental Characteristics** • Optimism • Self-regulation • Motivation to work in an international environment • Cognitive Skills • Acceptance of complexity and contradictions **Fundamental Core** • Self-Awareness • Engagement in personal transformation • Inquisitiveness
McCarthy (2010)	Visionary and Strategic Skills Geocentric situational and relational leader skills	Communication Skills Cross-Cultural Competence Skills Motivational and People Skills	
Kim & McLean (2015)	Global Business Cluster Global Organizational cluster	Intercultural Cluster Interpersonal Cluster	Other Cluster (An internally incoherent, non-clustering collection of competencies)

* Boldfaced items refer to "umbrella" competency categories that encompass two or more sub-dimensions. In some instances, an umbrella category may contain sub-dimensions that apply to more than one column.

Competencies are distributed roughly equally across the three categories—69 of the 207 competencies fall into the *Business and Organizational Savvy* grouping, with 63 and 60 competencies in the *Managing People and Relationships* and *Managing Self* groups respectively. Despite fairly even distribution across categories, there is considerable variation among scholars with regard to focus. Wills and Barham (1994), for example, focus on only competencies related to managing self, while Yeung and Ready (1995) concentrate primarily on business and organizational savvy, to the exclusion of competencies involving the management of self. In some cases this focus appears to be intentional. Bird and associates (2010) explicitly center their attention on interpersonal and self competencies, noting that their exclusion of business or organizational competencies is conscious and reflects a focus on a subset of global leader competencies associated primarily with intercultural effectiveness. Alternatively, several studies (Youssef & Luthans, 2012; Reichard, Dollwet, & Louw-Potgieter, 2013) focus on a

single competency cluster—positive psychological capital—and explore the ways that its components of hope, optimism, self-efficacy, and resilience contribute to effective global leadership. Javidan and Walker (2012) take yet another approach, focusing on global mindset as *the* central global leadership competency and then argue that the three primary components of global mindset, and their accompanying facets are sufficiently broad so as to encompass the full range of categories.

Missing from Table 4.3 is an acknowledgment that many studies delineate relationships among the competencies that cannot be displayed in a table format. The formulation by Black, Morrison, and Gregersen (1999) is typical of this approach. In their particular case, they lay out the linkages between their four competencies, detailing how each links to and reinforces the others. Though this aspect of the various competency frameworks was addressed in Chapter 3, it is important not to ignore this element when considering Table 4.3

Last, the bottom section of Table 4.3 incorporates the Mendenhall and Osland (2002) and Jokinen (2005) conceptualizations, showing how their synthesized competencies would fit into the current format.

Competencies of Business and Organizational Acumen

One group of global leadership competencies relates to a practical understanding of business and organizational realities and how to get things done efficiently and effectively. They reflect global leadership on a larger scale, "at a distance," and are directed toward the entire organization or to a global unit or initiative within the organization. Business and organizational acumen appears to entail five composite competencies: *Vision and Strategic Thinking, Business Savvy, Organizational Savvy, Managing Communities,* and *Leading Change.* Each of these competencies encompasses a variety of more specific skills, abilities, knowledge bases, or orientations. They are presented in [Table 4.4](#) in order of frequency of dimensions cited (i.e., of the fifty-five competencies in this category, the largest number entailed capacity related to strategic thinking and vision, the second largest number related to *Business Savvy,* and so forth). The table also notes instances where a given dimension was cited by more than a single study (e.g., build community, under *Managing Community*). Of the five competencies, the first three account for roughly 80 percent of all dimensions cited. The remaining two, *Leading Change* and *Organizational Savvy*, accounted for about 10 percent each.

Table 4.4 Business and Organizational Acumen Competencies

Vision & Strategic Thinking	Business Savvy	Managing Communities
Intellectual Intelligence (2)	Business Acumen	Customer Orientation
Foresight	Business Savvy (2)	Stakeholder Orientation
Intuition	Business Cultural Intelligence	Building Partnerships & Alliances
Historical Futurist	Demonstrate Savvy	
Oscillation between detail and big picture	Business Geographer	Influence Stakeholders
	Economic Integrator	Stakeholder Management
Environmental Scanning	Global Capitalist	Interact with external clients from other countries
Understand environmental risks & social trends	Results Orientation	
	Entrepreneurial Spirit	Interact with internal clients from other countries
Using Systems Theory Global Awareness (3) Frame Shifting	Substantive depth related to the organization's primary business processes	Manage foreign suppliers or vendors
Responsive to Change Depth of Field	Value-added technical and business skills	Build Community (2) Expand Ownership
Visioning	Developing Technical Savvy	Outside Orientation
Articulate a tangible vision (2)	Finding Creative Solutions	Boundary Spanning (3)
Building a shared vision Inspirational	Manage risk on a worldwide basis	Bridge-Maker
Inspirational		Utilizing Technology (3)
Chaos Navigator	Adapt and Add Value	
Strategic international understanding	Third Way Solutions	
Strategic Thinking (2)		
Balancing short- and long-term considerations		
Understanding Interdependence Able to deal with complexity		
Develop a strategic business plan on a worldwide basis		

Organizational Savvy	Leading Change
Organizational Savvy	Catalyst for strategic change
Total Organizational Acumen	Catalyst for cultural change

Designing & Aligning	Lead Change
Architecting	Change Management Skills
Manage a budget on a worldwide basis	Change Agentry
Demonstrating knowledge of the whole organization	

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*(#) indicates multiple references for the designated competency.

Careful analysis of the specific dimensions cited and their origins suggests that scholars who focused on this specific aspect of global leadership competency were more likely to differentiate a broader number of dimensions. For example, Yeung and Ready (1995) concentrated almost exclusively on competencies in this group. In doing so, they identified three dimensions—*articulate a tangible vision, catalyst for strategic change,* and *catalyst for cultural change*—that might be better thought of as being tightly integrated. After articulating a tangible vision, a global leader must then must be able to act as a catalyst for strategic and cultural change. Moreover, of the three remaining dimensions they focus on, two fit into other competencies in this grouping—results orientation into *Business Savvy* and customer orientation into *Managing Communities.* In a similar vein, Bird and Osland (2004) differentiate among three different dimensions within the *Managing Communities* competency—span boundaries, influence stakeholders, and build community.

Vision and Strategic Thinking encompasses three primary capabilities. The first is the ability to comprehend the complexity of the environment and think about it in strategic ways. Dimensions such as intellectual intelligence, depth of field, oscillation between detail and big picture, balancing short- and long-term, or understanding interdependence characterize varying aspects of the ability to think strategically. The second capability entails activities related to developing and articulating a global vision for the organization or business unit. The third capability constitutes aspects of skills enabling global leaders to develop a strategic plan and implement it.

Business Savvy may be characterized as primarily a knowledge-based competency, entailing as it does practical understanding and wisdom. It can be broken down into two types of knowledge and a general orientation or attitude toward finding efficient solutions to add value. General business savvy may link to strategic thinking in the *Vision and Strategic Thinking competency* but appears to reflect a broader, practical-oriented knowledge. A second type of knowledge is technically oriented or grounded in the operational processes of the organization. These two types of knowledge complement the third dimension, which is a value-added orientation that combines an entrepreneurial spirit with a focus on creative solutions.

Managing Communities, the third dominant competency, centers on the ability of global leaders to attend to the broader network of relationships in which a firm is embedded. The nature of the global economy in the 21st century is that firms find it necessary to collaborate or, at a minimum, cooperate with a wide variety of actors, from buyers to suppliers to competitors to shareholders to nongovernmental entities and interest groups. This requires boundary-spanning skills, one of the most distinctive competencies differentiating global leaders from their domestic counterparts (Osland, Bird, & Oddou, 2012). In addition to the ability to span boundaries, global leaders must also be able to influence stakeholders, the second dimension in *Managing Communities.* Finally, boundary spanning and influencing stakeholders, while having value in their own right, work primarily in the service of the third dimension, which is the ability to forge a firm and its disparate set of stakeholders into a viable community in order to accomplish strategic objectives.

Organizational Savvy is the fourth competency and addresses the ability of global leaders to design organizational structures and processes in ways that facilitate global effectiveness. Two of the four dimensions focus on design issues. The remaining two are focused on functioning effectively within the organization.

Leading Change, the final competency, represents a set of capabilities that enable global leaders to implement change. It may be appropriate to view the other four competencies as instrumental in that they support this capability. The primary thrust of global leadership is to bring about change (Osland, Bird,

Mendenhall, & Osland, 2006; Mendenhall, Reiche, Bird, & Osland, 2017).

Competencies of Managing People and Relationships

The second group of global leadership competencies is directed toward people and relationships. They represent leadership at "close quarters" (i.e., leadership of those with whom one interacts directly, often in person). More broadly, they are focused on managing people and interpersonal relationships. Table 4.3 identifies 47 competency dimensions that fall into this group. We identify five composite competencies: *Cross-cultural Communication*, *Interpersonal Skills*, *Valuing People*, *Empowering Others*, and *Teaming Skills*. The competencies and their dimensions are presented in Table 4.5. Of the five competencies, the first three account for roughly 70 percent of all dimensions cited.

With one exception, all of the studies cited in Table 4.3 incorporate one or more dimensions covered by this group of competencies. The two most frequently cited competencies, *Cross-cultural Communication* and *Interpersonal Skills,* would appear to have large overlap. Nevertheless, numerous studies (c.f., Bird, Mendenhall, Stevens, & Oddou, 2010; Caligiuri & Tarique, 2009; Rosen, Digh, Singer, & Philips, 2000) make distinctions between the two types of competencies. The distinction appears to be between the more general interpersonal skills, including sensitivity to relationships, emotional sensitivity, and so forth, and those specifically related to communicating across cultures.

We discuss each of the five competencies below. Though presented in Table 4.5 in order of the number of dimensions ascribed to them, they are discussed in a sequence that reflects their relative importance and their relationship to one another.

Valuing People , although the third-most-prevalent competency, also appears to be foundational in that all other competencies can be viewed as predicated on it. It encompasses three distinctive dimensions that have at their core a recognition of the value of people as individuals. There are three distinct dimensions. The first is a respect for people and their differences. This respect either leads to or is derived from a deep understanding of people as individuals and an ability to comprehend people—their emotions, intentions, and motivations. The third dimension of *Valuing People* is an orientation toward and an ability to create and maintain trusting relationships.

Table 4.5 Managing People and Relationships Competencies

Intepersonal Skills	*Cross-cultural Communication*	*Valuing People*
Emotional Intelligence (2)	Cultural Intelligence	Respect for Others (2)
Empathy (3)	Cross-Cultural Communication (3)	Respectful Modernizer
Emotional Sensitivity	Culture Bridger	Cultural Awareness (2)
Extraversion (2)	Cultural interest and sensitivity	Cultural Acumen (2)
Social Flexibility (6)	Appreciating Cultural Diversity	Skilled People Reading
Agreeableness	Cross-Cultural Understanding (2)	Understand Actors
Presence	Communication Skills (2)	Showing Inclusiveness
Relationship Interest (2)	Mindful Communication	Pragmatic Trust
Interpersonal Engagement Collaborative Individualism Sensitivity	Work with colleagues from other countries	Create & Build Trust (2)
	Language skills (2)	
Build Relationships	Supervise employees of different nationalities	

Results Through Relationships (2)	
Intercultural Sensitivity	Negotiate in other countries or with people from other countries
Intercultural relationship Skills (3) Conflict Management Skills Diplomacy Influencing/Motivational Skills Urgent Listening Instilling Trust	Cultural Self-Awareness

Empowering Others	*Teaming Skills*
Being able to empower others Energizing	Team Building (2)
Rewarding & Feedback	Managerial ability, with an emphasis on teamwork and interpersonal skills
Connective Teaching	Multicultural Teaming
Sharing Leadership	Team Management skills
Develop Future Leaders	Team-spirited
Demonstrating appropriate confidence in self and others	Blender
Coaching and Guidance Skills Delegation Skills	

*(#) indicates multiple references for the designated competency.

Interpersonal Skills represent the primary competency within the grouping, and include a range of predispositional, attitudinal, cognitive, motivational, and behavioral dimensions. For example, extraversion and relationship interest are usually considered to be predispositional (Bird et al., 2010), while interpersonal engagement and emotional sensitivity are more often viewed as attitudinal and cognitive respectively. Social flexibility and building relationships are best classified as behavioral skills. The competency can be broken into two broad dimensions: emotional intelligence and relationship management skills. The former include such abilities as sensitivity, interpersonal engagement, and self-awareness. The latter include dimensions related to behaviors that involve managing relationships (e.g., influencing, urgent listening, and using relationships to achieve results).

Cross-cultural Communication, the third competency, is concentrated on communicating across cultural differences. Cross-cultural communication usually entails a high level of mindfulness (i.e., a conscious awareness of contextual, cultural, and individual differences and the way in which these differences influence how messages are encoded, transmitted, received, and interpreted, as well as the reciprocal feedback process). There appear to be two components for this competency. General cultural awareness can be divided into awareness of cultural differences of others and awareness of one's own cultural influences. The second component relates to specific cognitive and behavioral skills in an intercultural context. These include the ability to speak the other person's language, skills at negotiating across cultures, and the ability to contextualize general communication skills in culturally appropriate ways.

Empowering Others is the fourth competency and addresses the ability of global leaders to energize direct reports, colleagues, and superiors by increasing their sense of personal self-efficacy. This may entail coaching skills, understanding how to delegate authority in culturally appropriate ways, and the ability to instruct others or, more broadly, to aid in the personal and professional development.

Teaming Skills, the final competency, relates to the ability to work effectively in multicultural and global virtual teams. This includes the ability to lead teams as well as to take a subordinate role and work as a valued contributor to the team's effort.

Competencies of Managing Self

The final group of global leadership competencies is directed inward to the predispositional, cognitive, and attitudinal processes in the mind of the global leader or involve aspects of personal management. Leading in a global context is personally challenging and requires a special mix of capabilities for managing oneself. Of the three groupings, the *Managing Self* category drew the most frequent number of competency listings, though there was also substantial overlap with nearly half the competencies receiving multiple citations. There was also wider agreement across studies with regard to specific dimensions. Labels such as "resilience," "inquisitiveness," and "flexibility" received multiple citations. *Global Mindset*, the least-referenced composite competency (see Table 4.6), nevertheless had multiple references to a limited number of descriptive labels. Much like the first two categories, three of five competencies garnered upward of 75 percent of the dimensions. *Character* had the most with seventeen dimensions. *Global mindset* had the least with four.

Table 4.6 Managing Self Competencies

Character	Resilience	Inquisitiveness
Integrity (3)	Resilience to Stress	Inquisitiveness (4)
Exhibit Character Authenticity (2)	Resilient, resourceful, optimistic and energetic	Curiosity & Learning Aggressive Insight
Honesty	Resilience (3)	Open-mindedness (4)
Maturity	Emotional Stability	Openness to Experience (2)
Trustworthy	Emotional Resilience	Inviting the Unexpected
Make Ethical Decisions (2)	Non Stress Tendency (2)	Nonjudgmentalness
Self-Identity (2)	Stress Management	Initiative (3)
Self-Mastery	Optimism (3)	Quest for Adventure
Accounting	Realistic Optimism	Passion for Diversity (2)
Conscientiousness	Self-Confidence (3)	Humility (2)
Self Awareness (5)	Personal Management (3)	Confident Humility
Core Values and Flexibility	Life Balance (2)	Motivation to Learn
Passion to Excel (3)	Stable Personal Life	Learn from Experience (3)
Tenacity (2)	Self Regulation	
Courage (3)	Patience	
Overcoming Adversity		

Flexibility	Global Mindset	
Flexibility (4)	Global Mindset (6)	
Embrace Duality	Cosmopolitanism (3)	
Cognitive Complexity (3)	Cognitive Complexity (4)	
Thinking Agility	Thinking Globally	
Authentic Flexibility Agility		
Open-minded and flexible in thought & tactics		
Interest Flexibility		
Tolerance of Ambiguity (3)		
Creativity (2)		

*(#) indicates multiple references for the designated competency.

Despite the attention directed to this set of competencies, it is also worth noting that of the sixteen studies cited in Table 4.3, four (Yeung & Ready, 1995; Bikson et al., 2003; Alon & Higgins, 2005; Butler et al., 2012) do not identify any dimensions falling into this category.

Character can be defined as an admixture of integrity, maturity, and conscientiousness. Black, Morrison, and Gregersen (1999) place a strong emphasis on character, describing it as one of four critical elements. Similarly,

Bird and Osland (2004) identify it as one of four "threshold traits" that provides a foundation for other global leader competencies. McCall and Hollenbeck (2002) frame integrity as a core honesty. A second facet of character is maturity, which entails a sense of self-awareness and clarity around personal values as well as a measured sense of one's place in the world. Related to this is a notion of accountability, being responsible for one's actions. Bird and associates (2010) call this facet *Self-Identity*, which they define as an awareness of one's personal values and the way they impact one's interactions with others. Gundling, Hogan, and Cvitkovich (2011) label this *core values and flexibility*. The third facet of character can be described as *persistence*. Kets de Vries and Florent-Treacy (1999) call this *tenacity*, a commitment to persevering through difficult times. It is closely related to the predispositional quality of *conscientiousness* that is part of the Big Five set of personality characteristics (Caligiuri & Tarique, 2009).

Resilience refers to a set of dimensions that relate to a global leader's ability to cope with the highly stressful challenges of leading across multiple time zones, large distances, myriad cultures, and widely varying national international political and regulatory systems. This competency is comprised of two broad dimensions. The first relates to a set of predispositional and attitudinal capabilities. The predispositional facets of this dimension include non-stress tendency, optimism, and resilience, which are also referred to as hardiness or low neuroticism (Costa & McCrae, 1992). Attitudinal facets include self-confidence and resourcefulness. The second dimension is primarily behavioral and involves the pursuit and management of activities and lifestyle choices— exercise, meditation, hobbies, proper rest, dietary habits, etc.—that reduce stress and facilitate recovery from stressful activities. More broadly considered, this dimension incorporates a life balance between work, social interest, and the maintenance of personal physical, psychological, social, and spiritual well-being.

Inquisitiveness , the most cited competency in this group, refers to an innate curiosity, an openness to learning, and humility. Black, Morrison, and Gregersen (1999) view *inquisitiveness* as the most essential personal quality of global leaders, considering it an animating force that undergirds other competencies. A second facet of this competency is *openness*, which is broadly framed as being open to new ideas, new experiences, and new people. Moro Beuno and Tubbs (2004) label it *open-mindedness*, and identify a related facet of willingness to learn. The third facet is *humility*, which can be described as not letting pride or self-consciousness interfere with learning. Rosen and associates (2000) refer to it as *confident humility*, not feeling threatened by the need to learn and open to being taught by others. Bird and Osland (2004) define *humility* as a passive counterpart to *inquisitiveness*. As opposed to actively seeking out and exploring novelty and difference, *humility* entails allowing oneself to be taught by others.

Flexibility involves willingness to adapt and adjust to varied situations. It incorporates a cognitive component, *intellectual flexibility*, which Black, Morrison, and Gregersen (1999) refer to as *embracing duality*, and it parallels and supports the *cognitive complexity* facet of global mindset. Bird and associates (2010) focus on *tolerance of ambiguity*, a construct established more broadly in psychology; however, their strain of *tolerance of ambiguity* is specific to the intercultural context common to global leadership. Flexibility also incorporates a behavioral component, *behavioral flexibility*, which entails a willingness to adapt or adjust one's behaviors to fit differing circumstances or situational demands (Bird et al., 2010).

Global Mindset , the final competency, is a cognitive competency that reflects a combination of perspective, attitude, and knowledge. It can be broken down into two facets. The first is *cognitive complexity*, specifically a highly contextualized, multifaceted, multilayered approach to the environment. The cognitively complex global leader starts from an assumption that any situation is characterized by myriad interdependencies and that relationships involve complex, dynamical properties. The second facet of global mindset is *cosmopolitanism*, an interest in and knowledge of the world—nations, social and political institutions, cultures, and people, etc. (Levy et al., 2007).

Concluding Thoughts

After cultivating, weeding, sorting, and organizing the global leadership competency garden, we have distilled the original list of 200 competencies down to fifteen and ordered them in three broad categories. Each of the fifteen competencies reflects a complex, multifaceted construct. For example, *Inquisitiveness* includes facets related to *curiosity, openness to experience* and *humility*, and *learning*. The final ordering is presented in Table 4.7. Though the table may give an impression of simplicity—three groups of five competencies each, the multifaceted aspect of each competency encompasses significant complexity. Moreover, the various facets of a given competency span predispositional, attitudinal, cognitive, behavioral, and knowledge aspects. As shall be seen in the subsequent chapters, addressing how to assess and develop global leadership capabilities, the variety of competency aspects creates significant challenges.

Recently Mendenhall and associates (2012) sought to clarify the definition of global leadership. Their stated intent was to bring definitional clarity to study of global leadership. By reviewing previous definitions and explicitly addressing areas of disagreement or confusion, they sought to avoid the fragmentation that has afflicted other areas of inquiry. They also hoped to facilitate a more focused and disciplined approach to theoretical and empirical work on global leadership. More recently Reiche, Bird, Mendenhall, and Osland (2017) have proposed a typology of global leadership roles that opens up a new line of thinking about competencies. They identify four distinctive leadership types, noting variations in contextual constraints and role demands that require different configurations of competencies. This is an area that warrants further exploration.

Table 4.7 A Framework of Nested Global Leadership Competencies

Business & Organizational Acumen	*Managing People & Relationships*	*Managing Self*
Vision & Strategic Thinking	Valuing People	Inquisitiveness
Leading Change	Cross-cultural Communication	Global Mindset
Business Savvy	Interpersonal Skills	Flexibility
Organizational Savvy	Teaming Skills	Character
Managing Communities	Empowering Others	Resilience

This chapter has sought the facilitation of the development of a common body of knowledge on global leadership by stemming the proliferation of competency dimensions. Doing so increases the likelihood that the interpretation of empirical results will be less problematic, and the accumulation and integration of findings will be more easily achieved.

It is questionable whether any field of inquiry can move forward if it persists in accommodating an ever-increasing array of constructs, many of which have largely overlapping construct domains. The nature of rigorous inquiry holds that there is always the possibility that new theory and new empirical findings may lead to a reformulation of existing organizing frames, an extension or elaboration of current constructs, or even the development of new ones. It is also the case that as a field matures, consolidation enhances research progress. In short, it is easier to grow a well-trimmed garden.

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Assessing Global Leadership Competencies

ALLAN BIRD AND MICHAEL J. STEVENS

A quick tour of the Internet provides some insight regarding the topic of this chapter—the assessment of global leadership competencies. In just .96 seconds Google references 783 million websites relating to leadership. Narrow the search to "global leadership" and it takes .67 seconds to identify 3.8 million sites. But key in "global leadership assessment," and only 11,300 sites surface. This is a significant change since the publication of the first edition of this book in 2008. At that time, the respective numbers were: 170 million, 983,000, and 64. Some of this change may be attributable to the growth of the Internet itself. But it is reasonable to also conclude that there is increasing interest in the subject of global leadership and significant growth in trying to assess global leadership competencies. Nevertheless, as we will discover as we proceed further, when it comes to assessing the competencies associated with effective global leadership, much work remains to be done.

In this chapter we will begin by discussing what "competency" means in the context of global leadership and note significant challenges in identifying and measuring it. We'll then move on to a consideration of a variety of instruments that are currently used by practitioners and scholars.

A comprehensive review of proposed competencies is beyond the scope of this chapter, which has as its central focus a review of assessment instruments. Chapters 1 and 2 both present an overview of the broader research on global leadership, much of which has taken a content view and hence, has focused on leader characteristics that are, either implicitly or explicitly, put forward as competencies. For a more detailed review of the leadership competency literature, readers should consult Chapter 4 of this volume as well as Jokinen (2005) and Osland, Bird, Mendenhall and Osland (2006).

Defining Global Leadership Competency

The pioneering work on competency as a concept in the workplace was carried out by McClelland (1973), who defined it as a set of underlying characteristics that an individual or team possess that have been demonstrated to predict superior or effective performance in a job. McClelland was particularly concerned with identifying behaviors that superior performers possessed and that average or underperformers did not have. Boyatzis (1982) emphasized the causal connection between capabilities a person possessed prior to performance that could be used to predict superior performance in a given situation. Working from this conception of competency, there are three clear standards that must be met to define an individual characteristic or capacity as a competency: 1) it must exist prior to performance; 2) it must be causally linked to performance; and 3) it must be possessed by superior, but not by average or subpar, performers.

The task domain of global leadership makes its difficult to identify competencies that conform to the three standards presented above. As Osland and associates (2006) note, there is no agreed-upon definition for what constitutes global leadership. Even where it is possible to succinctly define a global leader as someone whose job responsibilities include a global scope (Black, Morrison, & Gregersen, 1999), the range of positions to which such a definition applies makes it problematic to circumscribe a specific range of activities or behaviors. Be that as it may, for our purposes here, it may be useful to adopt Jokinen's (2005: 200) formulation as our definition of global leadership competencies:

> [They are] those universal qualities that enable individuals to perform their job outside their own national as well as organizational culture, no matter what their educational or ethnic background is, what functional area their job description represents, or what organization they come from.

As noted in [Chapter 1](#), assessing global leadership competencies presents several distinct challenges. First, there may be a tendency to overspecify the number of competencies required for superior performance in a specific job (Conger & Ready, 2004). For example, Morrison (2000) notes that Chase Manhattan Bank has identified 250 competencies associated with global leadership, whereas Mendenhall and Osland (2002) reviewed the academic scholarship on global leadership and came up with a list of 56 competencies. It is reasonable to question whether such lengthy lists are useful or practical.

A second challenge is that both practitioners and academics alike may be inclined to develop competency lists that reflect an idealized performance standard, rather than what is actually possible (Conger & Ready, 2004). This may arise as a consequence of trying to envision what superior performance might look like or what behaviors might lead to it rather than focusing on what has been demonstrated to be superior performance or on what is realistic.

Third, there is a need to distinguish between competency types. In studying expatriate managers—the group single-most associated with global leadership research—Leiba-O'Sullivan (1999) proposes a distinction between stable and dynamic competencies. Stable competencies reflect aspects of personality and are relatively settled and enduring over time. They are difficult, if not impossible, to significantly change. However, they may be broadly applicable (i.e., they may contribute to superior performance across a range of jobs or work situations). For example, the personality predisposition of optimism is widely accepted as contributing to superior performance across a multitude of managerial positions. By contrast, dynamic competencies are specific skills and abilities that can, to a greater or lesser degree, be taught. They are, however, often more narrowly applicable. For example, typing skills can be taught, though some people will learn how to type more accurately and more quickly than others. Moreover, the ability to type accurately and quickly is less likely to be associated with superior performance across a broad range of managerial positions or situations. The distinction between stable and dynamic competencies is sometimes framed respectively in terms of "soft" versus "hard" competencies or "behavioral" versus "technical."

In the next section, we will review several of the more widely used assessment instruments. After presenting

the competencies purportedly measured by each, we will attempt to evaluate them in accordance with the three standards noted above, namely: (1) do the competencies exist prior to performance; (2) are they causally linked to performance; and (3) do they distinguish between superior and non-superior performance? We'll do that by looking for empirical evidence that supports their ability to predict performance.

Global Leadership Competency Assessment Instruments

Broadly classified, assessment instruments used in developing global leaders fall into one or three broad categories: cultural difference assessments, intercultural adaptability assessments, and global leadership competency assessments. We consider each type below and discuss some specific assessment instruments within each category.

Cultural Difference Assessments

Although not directly focused on assessing global leader competencies, it is appropriate to recognize that practitioners and scholars have developed a variety of assessments and survey instruments for identifying variations in national cultural values across a range of dimensions. A number of the more widely used instruments (e.g., Hampden-Turner & Trompenaars, 2000; Hofstede, 2001; Maznevski & DiStefano, 1995) are often construed as a form of indirect competency assessment. In a typical application along these lines, a manager's cultural profile (i.e., their score or position on cultural value dimensions) will be computed, and these will be used within the context of a training program to determine developmental needs. In this regard, it is appropriate to view them as competency assessment proxies since they are used to identify areas where the development of hard competencies may to lead to superior performance.

Taras (2006b) has compiled the most comprehensive catalogue of such instruments to date. More than 100 instruments cover the gamut of work- or business-related dimensions on which cultures are likely to vary, including the common (e.g., individualism, power distance, uncertainty avoidance, and universalism) and the not-so-common (e.g., family integrity, faith in people, and upward influence). Where available, Taras (2006b) also provides the specific items in the instruments as well as Cronbach alpha and test-re-test reliabilities.

We also note that Taras (2006a) has compiled a similarly comprehensive catalogue of surveys and instruments used to assess acculturation. Though less frequently used for global leader competency assessment, acculturation surveys are sometimes used in corporate training and development programs. This catalogue contains information on 50 assessments and also includes Cronbach alpha and test-re-test reliability information where available.

Intercultural Adaptability Assessments

In this section we will consider several instruments that have as their primary focus effective intercultural competence. Instruments that fall into this category are frequently used in conjunction with global manager development programs. Because effective interaction with culturally different others is a critical aspect of effective global leadership in most contexts, the assessment of intercultural competence is highly appropriate. At the same time, it is important to recognize that intercultural competence represents just one aspect of a global leader's competency set.

There are numerous intercultural adaptability assessments that are commercially available, but for which there is scant, if any, research literature. Stuart (2007) provides a practical, though perhaps less-than-critical, review of a range of instruments. A more comprehensive listing of intercultural assessment tools can be obtained from the Intercultural Communication Institute (intercultural.org).

1. Cross-Cultural Adaptability Inventory

The *Cross-Cultural Adaptability Inventory (CCAI)* was developed by Kelley and Meyers (1995) as a self-assessment tool for cross-cultural adaptability training and development. Over time it has come to be used for measuring competency acquisition, as in pre- and post-test measures in conjunction with training programs.

The *CCAI* measures four dimensions: flexibility/openness, emotional resilience, perceptual acuity, and personal autonomy. After reviewing the literature and interviewing expert interculturalists, the developers originally settled on five dimensions, but dropped "positive regard" for others when their pilot studies failed to differentiate this dimension from the other four (Kelley & Meyers, 1995).

Flexibility/Openness (α = .54). This first of the four dimensions addresses the tendency to be open to others and broad-mindedness toward people and ideas. It also reflects a willingness to be flexible and nonjudgmental in one's perspective.

Emotional Resilience (α = .80). The focus of this second dimension is the ability to navigate the unfamiliarity associated with intercultural situations while maintaining positive emotions. Negative emotional reactions (e.g., culture shocks or bumps) are frequent occurrences when working in intercultural contexts. Emotional resilience reflects an ability to cope, as well as quickly recover from, such situations.

Perceptual Acuity (α = .78). Openness to new people and experiences, and an ability to cope with stressful situations, can be easier when individuals are able to accurately read situations and detect and appropriately respond to verbal and nonverbal signals. This third dimension also considers an ability to communicate effectively in such situations.

Personal Autonomy (α = .67). The final dimension focuses on the possession and maintenance of a strong personal identity in the face of adapting to a new cultural context that involves others whose values may be different from one's own.

The *CCAI* includes 50 items, is administered using a paper and pencil format, and is self-scored. The average respondent requires about ten minutes to complete the inventory. There is no mechanism for monitoring social response bias. Results are reported by tallying scores in four columns, with each column representing one of the dimensions. Interpretation of scores requires a facilitator/trainer.

The *CCAI* has primarily been used in studies attempting to measure the effectiveness of intercultural training programs. For example, Cornett-DeVito and McGlone (2000) used the *CCAI* to evaluate the effectiveness of intercultural training programs for law enforcement personnel. Similarly, Goldstein and Smith (1999) relied on the *CCAI* to evaluate the effectiveness of training programs for business professionals. It should be noted, however, that in a recent factor analytic study of the *CCAI*, Davis and Finney (2006) found that inventory items did not support a four factor structure. They conducted further exploratory factor analysis but concluded that no interpretable structure could be identified. At this time, there does not appear to be any independent or peer-review published research demonstrating the *CCAI's* ability to predict interculturally effective behaviors in managers or other groups.

2. Global Competence Aptitude Assessment

The *Global Competence Aptitude Assessment (GCAA)* grows out of research in conjunction with an article published by Hunter, White, and Godbey (2006) and from Hunter's dissertation (2004), which used a delphi technique to identify knowledge, skills, attitudes, and experiences essential to developing global competence. The *GCAA* identifies eight factors that are divided into two groups associated with competence: Internal Readiness and External Readiness.

The four factors comprising **Internal Readiness** are self-aware, willing to take risks, open-minded, and perceptive and respectful of diversity.

Self-Aware refers to possessing an accurate self-perception, which entails an honest and balanced view of oneself, as well as recognizing one's place within society or within particular social contexts.

Willing to Take Risks reflects the degree to which one is willing to take unpopular or unconventional positions, and to risk making mistakes or taking on significant challenges, where success may be uncertain.

Open-Minded refers to being free from prejudice as well as being receptive to new ideas. Even though one may have opinions or have developed certain viewpoints, one should nevertheless remain open to new ideas and strive to avoid prejudging others.

Perceptive and Respectful of Diversity reflects an awareness that people differ in many ways, and whether one believes those differences are deserving of respect.

The four factors comprising **Internal Readiness** are globally-aware, knowledgeable about world history, interculturally competent, and effective across cultures.

Globally Aware considers the extent to which individuals are both knowledgeable about the world and also possesses an awareness of the world as a whole.

Knowledgeable about World History reflects an individual's knowledge and understanding of history about peoples and places throughout the world.

Interculturally Competent is the extent to which individuals are open to other cultures and flexible in interactions with people from other cultures.

Effective across Cultures considers the ability to function in intercultural contexts, collaborate with people from other cultures, and work effectively within and across cultures.

The *GCAA* includes 50 items and is administered online. The average respondent requires about 15 minutes to complete the inventory. There is no mechanism for monitoring social response bias.

The *GCAA* has seen only limited use in empirical studies to date, perhaps due to its relatively recent development. In one investigation of geographical knowledge learning, higher *GCAA* scores were found among 36 study abroad students when compared to a sample of 46 students who did not go on study abroad (Greunke, 2010).

3. Intercultural Effectiveness Scale

The *Intercultural Effectiveness Scale (IES)* was developed by Mendenhall, Stevens, Bird, Oddou, and Osland (2008) as an abridged version of the *Global Competencies Inventory* (described in detail later in this chapter) for general purpose use in assessing intercultural competency. The *IES* is primarily used in educational, government, and nonprofit organizational settings, but is also used in corporate contexts often as an early assessment tool. It is also widely used for program outcome assessment in university settings for both instructional purposes and for program outcome assessment. The *IES* measures three broad factors: continuous learning, interpersonal engagement, and hardiness. Each of these factors has two sub-dimensions.

Continuous Learning (α = .85)

This factor examines how people cognitively approach cultural differences and the degree to which individuals engage the world by continually seeking to understand themselves and learn about the activities, behaviors, and events that occur in cross-cultural environments. Continuous learning has the following two sub-dimensions:

Exploration (α = .82) is the extent to which people are open to and pursue an understanding of ideas, values, norms, situations, and behaviors that are different from their own. It reflects a fundamental inquisitiveness, curiosity, and an inner desire to learn new things.

Self-Awareness (α = .76) is the degree to which a person is aware of his or her personal values, strengths, weaknesses, interpersonal style, and behavioral tendencies, as well as the impact of these on other people.

Interpersonal Engagement (α = .86)

This is the second factor of the *IES* and considers how developing positive intercultural relationships depends in large part on one's interest in learning about people from other cultures, their customs, values, and so on. It is comprised of the following two sub-dimensions.

Global Mindset (α = .84) focuses on the extent to which a person is naturally interested in, and seeks to actively learn about, other cultures and people.

Relationship Interest (α = .80) is the extent to which a person is likely to initiate and maintain positive relationships with people from other cultures.

Hardiness (α = .84)

This is the third factor and examines how interacting with people from different cultural backgrounds requires significant psychological effort, which often produces stress, anxiety, and sometimes fear. This factor has the following two sub-dimensions.

Positive Regard (α = .79) assesses the degree to which individuals withhold judgments about people or situations that are new or unfamiliar.

Emotional Resilience (α = .81) reflects the level of emotional strength and capacity to cope with challenging emotional experiences.

The *IES* includes 60 items, is available only through online administration, and is currently available in nine languages (i.e., English, Chinese, French, German, Japanese, Spanish, Portuguese, Korean, and Arabic). The average respondent requires about 20 minutes to complete the inventory. There is no mechanism for monitoring social response bias. An individualized feedback report provides results for each of the *IES*'s six dimensions, three broad factors, and an overall score, by comparing each respondent's profile against a norm-referenced database currently in excess of more than 80,000 individuals worldwide. The feedback report also provides self-guided direction on the interpretation of scores and their application for learning and personal development.

The developers of the *IES* sought to create a more accessible and less costly version of the *Global Competencies Inventory* (*GCI*), described in detail below, that would not require specialized training by administrators or the need for facilitation or coaching. Because of this, the psychometric properties and validity evidence for the *IES* closely mirror the findings from the empirical research on the *GCI* (Stevens, Bird, Mendenhall, & Oddou, 2014).

4. Intercultural Development Inventory

The *Intercultural Development Inventory (IDI)* was developed by Hammer, Bennett, and Wiseman (2003) based on Bennett's (1993) Developmental Model of Intercultural Sensitivity (DMIS), which identifies six stages of intercultural development and associated competencies that group into two sets: ethnocentric and ethnorelative. The ethnocentric stages, in order of development, are Denial, Defense, and Minimization. The ethnorelative stages are: Acceptance, Adaptation, and Integration. The *IDI* measures an individual's worldview regarding cultural difference, which may be construed also as a capacity for intercultural competence. The ethnocentric stages can be interpreted as different ways of *avoiding* cultural differences, through denying that differences exist, defending one's culture against differences, or minimizing the extent or significance of the differences. The ethnorelative stages are ways of *seeking* cultural difference, through first accepting the importance of differences, then adjusting or adapting one's perspective to take differences into account and finally, by integrating the concept of culture and differences into one's identity. Each of the six stages can also be broken down into various sub stages.

Ethnocentric Stages

Denial. This stage is characterized by a condition in which one's own culture is taken to be the only culture. Though other cultures may exist, they should be avoided or isolated. People in this stage are disinterested in cultural differences, but when confronted with differences may respond viscerally, seeking to eliminate differences that intrude into their sphere of activity. The two sub stages of Denial are Isolation and Separation.

Defense. The second ethnocentric stage reflects a worldview in which one's own culture (or an adopted culture) is experienced as the only good one. Other cultures are seen as being in opposition to one's own culture (i.e., "we" versus 'them'). Moreover, other cultures are viewed as inferior and one's own as superior. People in this stage may feel threatened by cultural difference. An alternative position in this stage is to view one's own culture as inferior and other cultures as superior (i.e., to experience a reversal of dominant orientation in this stage). The three sub stages or categories of Defense are Denigration, Superiority, and Reversal.

Minimization. The third stage in the ethnocentric set takes a perspective that one's own culture reflects a deeper element universal to all cultures. Consequently, differences are minimized or suppressed. People in this stage may ignore or mask important differences. The Minimization sub stages are Physical Universalism ("cultures increasingly share so much in common") and Transcendent Universalism ("at heart we are all the same").

Ethnorelative Stages

Acceptance. The first ethnorelative stage adopts a worldview that sees one's own culture as just one of many complex worldviews. People at this stage are curious about and respectful of differences. Although one may accept that there are differences and that one's own perspective is not superior, this does not mean that a person at the Acceptance stage necessarily agrees with other worldviews. The sub stages for Acceptance are Acceptance of Behaviors and Acceptance of Values.

Adaptation. In this stage, acceptance of another culture yields both perceptions and behaviors appropriate for effective functioning in that culture, as well as an ability to see the larger world in new ways. Adaptation entails intentional modification of behavior in order to interact with culturally different others. The two sub stages associated within Adaptation are Empathy and Pluralism.

Integration. The ultimate intercultural development stage is Integration, the ability and inclination to move in and out of different cultural worldviews. People who reach Integration may confront issues of cultural marginality as they work to integrate these shifting worldviews into their self-identity. Integration is not a required level of intercultural competence in most situations. It is common, however, among "global nomads" and others with extensive experience working at cultural intersections. The sub stages of Integration are Contextual Evaluation and Constructive Marginality.

Based on the DMIS, the *IDI* was structured with five scales and ten clusters, roughly matching the stages and sub stages of the DMIS. The *IDI* measure is comprised of the *DD* (Denial/Defense) scale, the *R* (Reversal) scale, the *M* (Minimization) scale, the *AA* (Acceptance/Adaptation) scale, and the *EM* (Encapsulated Marginality as a measure for Integration) scale.

The *IDI* includes 50 items, requiring the average person approximately 10 to 15 minutes to complete, and is available in paper-and-pencil format and online. There are twelve language versions—English, Spanish, French, Portuguese, Italian, German, Chinese, Japanese, Korean, Bahasa, Indonesian/Malay, Norwegian, and Russian. Results are reported in terms of level of development across the six stages, with developmental level ranging from "unresolved" to "in transition" to "resolved." If respondents are to receive feedback on their results, a requirement of administration is that they must always receive their feedback report as part of a counseling

session from an *IDI*-qualified facilitator.

Research on the validity and reliability of the *IDI* has found strong support for the internal reliability and validity of the psychometric properties of the instrument (Hammer, Bennett, & Wiseman, 2003; Paige, Jacobs-Cassuto, Yershova, & DeJaeghere, 2003). Studies of students (Straffon, 2003) and returned Peace Corps volunteers (Kashima, 2006) found the *IDI* predictive of level of intercultural sensitivity. Developers of the *IDI* also report similar findings for the *IDI* when used in business settings; however, because these results have not been made public through empirical studies published in peer-reviewed journals, it is not possible to independently confirm these findings.

5. Multicultural Personality Questionnaire

Developed by Van der Zee and Van Oudenhoven (2000), both at the University of Groningen, the *Multicultural Personality Questionnaire* (*MPQ*) measures five dimensions of personality relevant to adjustment and performance of expatriates. In developing the *MPQ*, dimensions were drawn from a review of earlier work on expatriate adjustment and from their own research. Moreover, the framing of dimensions is clearly done through the lens of the effective intercultural adjustment of expatriates.

Cultural Empathy (α = .83). This dimension relates to one's ability to empathize with people from a culture different from one's own. It also encompasses the ability to empathize with thoughts and behaviors of people from other cultures.

Open-Mindedness (α = .84). Effective intercultural behavior is also predicated on having an attitude that is open to differing cultural norms and to people from other cultures. Open-mindedness reflects an unprejudiced approach to others.

Social Initiative (α = .89). This dimension addresses the way that people approach social situations, recognizing that empirical work has confirmed the importance of taking the initiative and being active in establishing and maintaining relationships with people, both at home and abroad.

Emotional Stability (α = .84). The tendency to handle stressful situations calmly rather than with an affective response is important because novel or ambiguous situations can evoke strong emotion.

Flexibility (α = .64). This dimension focuses on a person's ability to adjust plans and behaviors easily. This is especially important in new cultural environments where one's established ways of doing things are likely to be inappropriate and must therefore be open to change and adaptation.

The *MPQ* contains 78 items and can be administered either online or via paper and pencil format. The average respondent requires about 15 minutes to complete the instrument. There are English, Dutch, French, German, and Italian versions available. Reviews of the *MPQ* do not appear to include any assessment of possible social desirability response patterns. Results are reported graphically for each dimension using a bar line and a 10-point scale, with 10 being highest. One or two sentences of explanation specific to each dimension score are also provided.

The majority of the research on the *MPQ* has been carried out with students; however, it has also been used in conjunction with expatriate assessment (Van der Zee & Brinkmann, 2004; Van Oudenhoven & Van der Zee, 2002). Two longitudinal studies conducted with international student samples found the *MPQ* predictive of psychological well-being and social support (Mol, Van Oudenhoven & Van der Zee, 2001; Van Oudenhoven & Van der Zee, 2002). A subsequent study of expatriates in Taiwan (Van Oudenhoven, Mol, & Van der Zee, 2003) confirmed the *MPQ*'s predictive capability with regard to three facets of personal adjustment (satisfaction with life, physical health, and psychological well-being), job satisfaction, and social support.

6. Intercultural Readiness Check

The *Intercultural Readiness Check (IRC)* assessment, developed by Van der Zee and Brinkmann (2004), is apparently an extension of the *Multicultural Personality Questionnaire*, discussed above. The *MPQ* instrument was developed with a specific focus on expatriates, whereas the *IRC* seems aimed at application to a broader range of personnel, not just those slated for international assignments.

The original *IRC* measured six dimensions that the developers (Van der Zee & Brinkmann, 2004) argued were relevant to multicultural success: intercultural sensitivity (α = .80), intercultural communication (α = .84), intercultural relationship building (α = .80), conflict management (α = .59), leadership (α = .70), and tolerance of ambiguity (α = .78). However, subsequent refinement of the instrument settled on the four dimensions immediately below. Reliability alphas on these four scales do not appear to have been reported.

Intercultural Sensitivity. The focus of this dimension is on the awareness and perception of culturally different communication styles (e.g., the ability to notice and accurately read verbal and nonverbal communication). It also measures interest in differing cultural norms and values. This dimension has two facets: cultural awareness and attention to signals.

Intercultural Communication. This dimension measures an individual's ability to empathize with people who are culturally different. It is concerned not only with feelings, but also with thoughts and behavior. This dimension has two facets: active listening and adjusting communicative styles.

Building Commitment. Motivating others, nurturing interaction, and cooperation and leading out while maintaining support and commitment from others, is the focus of this dimension. The two facets for this dimension are: building relationships and reconciling stakeholder needs.

Managing Uncertainty. Intercultural situations are characterized by uncertainty around meanings, norms, and behaviors. This dimension assesses ability to cope with intercultural situations. The two facets for this dimension are: openness to cultural complexity and exploring new approaches.

The *IRC* is a 60-item instrument and can be administered either online or via paper and pencil format. The average respondent requires 10 to 15 minutes to complete the instrument. There are English, Dutch, French, German, and Japanese versions. There does not appear to be any monitoring of social desirability response patterns. Results are reported using a graphical presentation and index, with additional commentary provided for each of the four dimensions.

The developers of the *IRC* provide generalized anecdotal evidence for their predictive capability relative to superior performance in jobs entailing a large intercultural component. However, statistical data supporting these claims have not been made public through empirical studies published in peer-reviewed journals. Nevertheless, the convergent validation of the *IRC* vis-à-vis the *MPQ* suggests a basis for assuming some measure of predictive capability and association with positive outcomes in intercultural situations (Van der Zee & Brinkmann, 2004). Moreover, the authors claim a database of 25,000 respondents drawn from 130 countries and across 14 industries.

7. Cultural Intelligence (CQ)

Developed by Earley and Ang (2003), and predicated on the broader conceptual notion of multiple intelligences, the *Cultural Intelligence (CQ)* assessment measures four dimensions relevant to their conceptualization of cultural intelligence, which they define as being able to functional effectively in cross-cultural situations. Earley and Ang (2003) assert that cultural intelligence constitutes a type of intelligence akin to, but independent from, other previously identified intelligences, such as emotional and cognitive intelligence. The *CQ*'s four dimensions encompass cognitive, metacognitive, motivational, and behavioral elements of effective cross-cultural elements, which is consistent with other conceptualizations of cultural

intelligence (Livermore, 2010; Thomas, 2006).

CQ Drive (Motivational CQ). As the name implies, this dimension relates to one's level of interest or drive in adjusting to encountered cultural differences. It has three sub-dimensions: *Intrinsic Motivation*, which refers to the degree to which someone derives enjoyment from culturally diverse situations and experiences; *Extrinsic Motivation*, which addresses the degree to which external rewards (e.g., compensation, career advancement, etc.) are motivating forces encouraging intercultural action; and *Self-Efficacy*, which reflects one's confidence in being able to successfully navigate culturally diverse interactions.

CQ Knowledge (Cognitive CQ). A second element of effective intercultural action is a knowledge of relevant cultural issues, including a general understanding of culture and how it influences perceptions, cognitions, and behaviors as well as specific information regarding the cultures one will be working in. This dimension has the following two sub-dimensions: *Cultural Systems* refers to one's understanding of the ways that societies are arranged (e.g., family structures, social institutions, etc.), whereas *Cultural Norms and Values* addresses one's understanding of how such things shape thinking and behavior.

CQ Strategy (Metacognitive CQ). The third dimension of the *CQ* assessment focuses on how individuals process intercultural situations and select responses. This is also labeled the *Metacognitive* dimension because it reflects an approach to navigating situations, rather than to the actual act of navigation. It has three sub-dimensions: *Awareness* refers to the extent to which one is sensitive to the situation; *Planning* considers how one anticipates and prepares for an interaction; and *Checking* examines the degree to which one monitors interactions to determine whether behavior aligns with perception and plan.

CQ Action (Behavioral CQ). This final dimension focuses on the adjustment of behavior so that it is appropriately adaptive to the situation. It is has three dimensions, which align with the types of behaviors in an encounter: *Nonverbal Actions*, *Verbal Actions,* and *Speech Acts*. The last dimension refers to the specific words and phrases employed.

The *CQ* consists of 20 items and is administered online, and respondents require about 10 minutes on average to complete the instrument. A multi-rater version is also available. Currently there are English, Dutch, French, German, and Italian language options. There is no monitoring of social desirability response patterns. Results are provided in a 12-page feedback report that includes comparisons with norms based on worldwide samples. Additionally, the report includes supporting material to aid in further development of *CQ* dimensions.

The developers (Ang, Van Dyne, Koh, & Ng, 2004) conducted a variety of statistical analyses to determine the reliability and validity of the *CQ*. Their reported results are consistent with accepted standards of internal consistency and factor structures. In a study of expatriate adjustment, Templer, Tay, and Chandrashekar (2006) found that *CQ Drive* (Motivational CQ) was predictive of both general and work adjustment in a sample of 157 global professionals working in Singapore. More recently, Ward and associates (2009) reported on a series of empirical studies that raise several questions about the conceptual foundations of the cultural intelligence construct as measured by the *CQ*. Though argued to be a distinct intelligence, they study found that the *CQ* exhibited high convergence on measures of emotional intelligence (EQ), which suggests that *CQ* may not be a separate construct and therefore, that the *CQ*'s underlying construct validity may be untenable. In a second study reported by Ward and associates (2009), *CQ*, with the exception of *Motivational CQ*, did not contribute incremental prediction in explaining social adaptation in a sample of 118 international students in New Zealand. Moreover, *CQ* added no incremental value in explaining academic adaptation or language acquisition.

8. Big Five Personality Inventories

In the early 1960s, psychologists doing research on personality characteristics carried out a review of a number of empirical studies and found five recurring traits. In the 1980s, Costa and McCrae (2010) developed a standardized taxonomy that labeled the five factors as: Neuroticism, Extraversion, Openness to Experience, Agreeableness, and Conscientiousness. There are several terms that apply to this taxonomy of personality

characteristics, such as The Big Five, The Five Factor Model, and the Five Factor Theory. It is also important to note that these broad factors (described in detail below) encompass a wide range of more discrete personality traits. Consequently, most instruments that measure the broad five personality factors also measure a variety of discrete sub-facets. In the case of the *NEO PI-R*, for instance, the broad five factors have six sub-facets associated with each of them.

Whether personality traits are able to predict performance has been an ongoing debate. However, a number of recent meta-analytical studies have found conclusive support for their incremental predictive validity of moderate magnitude beyond other measures, such as cognitive ability. For example, Saulsman and Page (2004) undertook a review of 15 different studies and found a distinct profile of the five factors for each of 10 mental health disorders listed in the *Diagnostic and Statistical Manual of Mental Disorders* (DSM-IV). In the realm of job performance, Barrick and Mount (1991; see also Mount & Barrick, 1998) completed a meta-analytic review covering 23,994 subjects from 162 samples in 117 studies and concluded that Conscientiousness consistently predicted performance across all jobs and all occupations. They also found that Extraversion was predictive of superior performance in occupations where social interactions were essential (e.g., sales and management).

Neuroticism (α = .92). This factor addresses emotional stability and focuses on whether people experience primarily negative emotions (e.g., anxiety, hostility, anger, depression, etc.). An inclination to respond to situations with negative interfering emotions is also an aspect of Neuroticism.

Extraversion (α = .89). This factor refers to a person's orientation toward engagement with others and the external world. Extraverts are characterized as outgoing, people-oriented, energetic, and action-oriented and have the predisposition to be favorably energized by social engagements and interactions. They are more inclined to reach out and initiate connections with others, to talk most in groups, and to be more assertive in social settings.

Openness to Experience (α = .87). This factor describes the trait of being innately curious and having an active and creative imagination. Being open to people and to experiences are also aspects of this factor, which is usually referred to simply as Openness. An appreciation of art, intellectual curiosity, and an interest in complex or sophisticated ideas are also a part of this predisposition.

Agreeableness (α = .86). This factor describes the extent to which people value social harmony and cooperation, and are predisposed to be attentive and concerned with getting along with others. Optimism and a positive view of human nature—that is, the view that people are basically trustworthy—are also a part of this trait.

Conscientiousness (α = .90). This factor relates to how a person regulates and controls impulses, and is able to stay focused on necessary tasks and required duties and follow through on commitments. The inclinations to act spontaneously or to be able to delay gratification are also associated with this factor. This factor also encompasses an individual's achievement orientation.

There are a variety of instruments that measure the Big Five personality traits, but among the more widely used is the *NEO PI-R*, developed by Costa and McRae (Costa & McRae, 2010; De Fruyt, McCrae, Szirmak, & Nagy, 2004). The *NEO PI-R* contains 240 items and broadly measures neuroticism, extraversion, openness, agreeableness, and conscientiousness, along with six discrete sub-facets for each of its five broad factors. The assessment takes approximately 45 minutes to complete and is available via paper-and-pencil format or software loaded onto a computer but is not yet online. Though numerous language versions have been developed for research purposes, it is widely available in English and Spanish for commercial purposes. Distribution and sale of the *NEO PI-R* is governed by the professional standards of the American Psychological Association, which means users must demonstrate an appropriate level of coursework or advanced training in both the theory and measurement of human personality.

Early studies examining the ability of personality traits to predict expatriate performance were generally negative (Brislin, 1981; Harris, 1973, 1975). More recently, however, a large and growing number of empirical

studies have found support for the use of Big Five personality measures in predicting cross-cultural effectiveness and expatriate performance (Ones & Viswesvaran, 1999). For example, Caligiuri (1995, 2000) found that emotional stability (i.e., neuroticism) was predictive of expatriate adjustment. Deller (1998) found that ambition (a facet of conscientiousness) and several facets of openness were predictive of expatriate job performance. In a similar vein, Sinangil and Ones (1995, 1997) also found facets of conscientiousness and openness to be predictive of expatriate job performance. And finally, Dalton and Wilson (2000) studied expatriate managers in the Middle East and found that agreeableness and openness were predictive of home-country ratings of performance, but not predictive of host-country ratings.

Global Leadership Competency Assessments

In this section, we consider several instruments that have adopted a broader focus and attempt to identify a variety of leadership competencies—not just intercultural competence. Similar to the intercultural adaptability assessments in the preceding section, there are numerous commercial global leadership competency assessments available, but for which there is scant, if any, publicly available independent peer-reviewed research literature. For that reason, they were not included in this section. Likewise, we have not considered the broad range of widely used leadership assessments that were not developed for assessing global leadership competencies, but are nevertheless used in expatriate and cross-cultural contexts.

9. Global Mindset Inventory

The *Global Mindset Inventory (GMI)* was developed under the direction of Thunderbird School of Global Management's Global Mindset Institute to assess the characteristics needed for global leaders to effectively influence people from cultures different from their own. The conceptual basis for the inventory's dimensions drew upon the collective input of academicians expert in the domain, as well as responses from hundreds of global executives interviewed for the project. Although the authors of the *GMI Technical Report* quite improperly assert that it is "the world's first and only psychometric assessment tool that measures and predicts performance in global leadership positions" (Javidan, Hough, & Bullough, 2010: 4), the inventory nonetheless may rightly be recognized for its solid conceptual foundation and rigorous empirical development. A rich and detailed *Technical Report* is provided openly at the Institute's website (www.globalmindset.com), and provides exemplary documentation on the process by which the *GMI* was developed and evaluated for its validity.

According to Javidan, Teagarden, and Bowen (2010), global mindset is a concept that consists of three broad individual characteristics, having three discrete facets each, arranged as follows:

Intellectual Capital (α = .94): This dimension consists of a deep knowledge and understanding of the global business environment, industry, and value chain, as well as the capacity to learn and understand the context at a global level. It is comprised of the three following discrete facets:

  Global Business Savvy (α = .94). This refers to one's grasp of worldwide industry and business operations, the behavior and habits of one's global customers, and the strategic risks associated with operations in different parts of the world.

  Cognitive Complexity (α = .93). This describes one's capacity for connecting complex scenarios with many elements, along with the capacity to make decisions and act appropriately in the face of many options.

  Cosmopolitan Outlook (α = .85). This relates to an active interest in the geography, cultures, histories, and socio-economic systems that can be found in many different parts of the world.

Psychological Capital (α = .89): This dimension consists of the mental and emotional flexibility, openness to cultural adventure, and self-assurance needed to operate successfully in a new cultural environment. It is comprised of the three following discrete facets:

  Passion for Diversity (α = .91). This refers to one's proclivity for experiencing new and different parts of the

world, unfamiliar cultures, and novel ways of doing things.

Thirst for Adventure (α = .82). This describes one's capacity for deriving enjoyment—even pleasure—from multifaceted and unfamiliar environments.

Self-Assurance (α = .78). This relates to one's level of self-confidence and capacity for taking risks, especially in new situations, as well as the tendency to be energized rather than enervated by a foreign environment or culture.

Social Capital (α = .89): This dimension consists of the propensity to develop and maintain authentic relationships with individuals from different cultures or regions of the world, as well as the capacity to build consensus and influence essential stakeholders from cultures and backgrounds that are different from one's own. It is comprised of the three following discrete facets:

Intercultural Empathy (α = .89). This refers to one's tendency for understanding and emotionally connecting with people from different cultures or regions of the world.

Interpersonal Impact (α = .68). This describes one's capacity to build credibility and maintain social networks when working with people from divergent backgrounds, cultures, and life experiences.

Diplomacy (α = .80). This relates to one's propensity for conversation, especially through asking and listening (rather than answering), with persons who are different from oneself.

The current version of the *GMI* attempts to measure the above dimensions via 76 survey questions, 50 of which are referred to by the developers as "global mindset items" and 26 as demographic. There is no mechanism for monitoring social response bias in the *GMI* inventory. Once the *GMI* survey questions have been answered and a profile report is generated, care must be taken not to over interpret the implications of the profile results. Specifically, the *GMI* feedback report uses language that purports to describe a respondent's level of skill or ability on the various *GMI* dimensions (e.g., knowledge of the global business environment, ability to grasp complex concepts quickly, knowledge of different world cultures, wittiness in tough situations, ability for diplomacy, etc.). However, the inventory nevertheless simply asks respondents to make self-evaluations (on a 5-point scale) of the degree to which they believe they possess these various *GMI* global leadership knowledge, skills, and abilities. While such self-evaluation surveys often can serve as an appropriate methodology for assessing important individual psychological differences on global leadership competencies, those who administer and wish to interpret the *GMI* would be wise to make sure they understand the inherent difference between a respondent's own self-scoring of the possession of *GMI* knowledge, skills, and abilities, as opposed to the actual possession of those attributes (i.e., self-evaluations of one's diplomacy skills or one's ability to grasp cognitively complex ideas are not the same as actually possessing those competencies).

A variety of statistical analyses were conducted to determine that the *GMI* items indeed have the desired levels of internal consistency and factor structures. The *GMI Technical Report* also reports evidence of predictive validity via statistical correlations between *GMI* scores and performance-related criterion measures at two large companies. The magnitude (or effect size) of the reported correlations appears to be within the ranges consistent with general expectations for such studies (Javidan, Hough, & Bullough, 2010); nevertheless, it is unclear from the descriptions of these two predictive studies whether the criterion-related performance data were collected from respondent self-reports or from independent sources of multi-rater evaluations.

The *GMI* is Internet-based, comes in two formats (a self-assessment and a 360-evaluation version), and provides both individual and group reports. Participation in a *GMI* certification program is necessary to become qualified as an administrator to use the inventory and conduct debrief sessions with respondents. Current information states that the *GMI* has been administered to more than 23,000 respondents from over 70 countries, many of whom are reported to be in managerial or global executive positions. Upon completing the *GMI*, respondents are encouraged to attend a one-day debriefing workshop to better understand their individual profile, their group's profile, and the importance for their organization, and to consider action planning strategies for improving global mindset in targeted areas.

10. Global Competencies Inventory

Initially developed in 2000 by Stevens, Bird, Mendenhall, and Oddou (2014), the *Global Competencies Inventory* (*GCI*) measures 17 dimensions of personality predispositions associated with effective intercultural behavior and dynamic global managerial skills acquisition. The dimensions are predicated on an elaboration of the expatriate adjustment model developed by Black, Mendenhall, and Oddou (1991) and accordingly, are grouped under three factors: Perception Management, Relationship Management, and Self-Management. These three factors and their associated sub-dimensions are presented below. Additionally, the *GCI* has been mapped onto the global management competency model developed by Bird and Osland (2004).

Perception Management (α = .91)

This factor encompasses five sub-dimensions that address how individuals mentally approach cultural differences. How individuals perceive people who are different from themselves affects how they think about such people, and in turn, the way people think about individuals who are different from themselves influences their opinions, their evaluations, and ultimately their behavior toward culturally different others. This factor also assesses how mentally flexible an individual is when confronted with cultural differences that are strange or novel, as well as any tendency to make rapid (rather than thoughtful) judgments about those differences. It also evaluates an individual's capacity to manage perceptions when faced with situations that are not immediately easy to understand because they differ from experience or expectations. This factor also assesses an individual's natural curiosity toward foreign countries, cultures, and international events, as well as tendencies to draw sharp boundaries between things that may be viewed as different. Perception Management consists of the following five sub-dimensions:

Nonjudgmentalness (α = .72). This dimension considers an individual's propensity to suspend or withhold judgments about situations or persons that are new or unfamiliar.

Inquisitiveness (α = .84). This dimension assesses an individual's inclination to understand ideas, values, norms, situations, and behaviors that are different one's own. It also addresses an individual's capacity to take advantage of learning opportunities.

Tolerance of ambiguity (α = .73). This dimension measures the extent to which individuals are able to manage ambiguity that derives from new and complex situations where there are no clear answers about what is going on or how things should be done. It also considers whether they enjoy surrounding themselves with ideas or things that are novel and unfamiliar, rather than feeling threatened by them.

Cosmopolitanism (α = .85). This dimension measures the level of natural interest in and curiosity about countries and cultures that are different from one's own. It also assesses the degree to which individuals are interested in current world and international events, would enjoy traveling abroad, and actively take the initiative to act on such interests.

Interest Flexibility (α = .83). This dimension measures flexibility in identifying and adopting new interests, hobbies, and changes in one's daily routine when normal activities and other outlets are not available. The ability to find new interests reflects a willingness and capacity to look at things in a different way. An example of interest flexibility would be someone who enjoys baseball but seeks to learn about cricket when living in a country where cricket is more popular.

Relationship Management (α = .93)

This second broad factor of the *GCI* assesses a person's orientation toward developing and maintaining relationships in general—that is, how aware someone is of others around them, their interaction styles, values, and so on. It also considers an individual's personal level of self-awareness and awareness of how their

behaviors impact others. This factor complements the Perception Management factor because it examines how personal attitudes, values, and beliefs influence the development and management of interpersonal relationships in a cross-cultural environment. Positive relationships in an intercultural environment are essential for effective performance in the global workplace. Relationship Management consists of the following five sub-dimensions:

Relationship Interest (α = .76). This dimension considers the extent to which someone has a genuine interest in, and awareness of, people who are from other cultures or ethnic groups. It also reflects a person's desire to get to know them, their values, and why they do what they do, and have the views and opinions they have.

Interpersonal Engagement (α = .80). This dimension evaluates the extent to which individuals are likely to initiate and maintain friendships with people from other countries or cultural groups. It also measures how inclined people are to actively seek out others who are different, as well as their desire and ability to engage with such persons in interesting conversations.

Emotional Sensitivity (α = .74). This dimension considers the capacity to accurately read and comprehend the emotions of others and to understand their feelings from their perspective. It also measures how well individuals are able to listen genuinely and respond with empathy to the circumstances and challenges others face.

Self-Awareness (α = .73). This dimension assesses the extent to which individuals are aware of their own values and interpersonal style, personal strengths and weaknesses, and how their experiences have helped shape who they are as people. It also measures how well individuals claim to know themselves, how comfortable they are with themselves, and the extent to which they understand the impact of their personal values and behavior on their relationships with others.

Behavioral Flexibility (α = .72). This dimension measures a person's tendency to regulate and adjust their behavior to fit in and to present themselves to others in ways that create positive impressions and facilitate the building of constructive relationships.

Self-Management (α = .92)

This third factor of the *GCI* assesses the strength of a person's self-identity and the capacity to effectively manage thoughts, emotions, and responses to stressful situations. To be effective in cross-cultural situations, people must be capable of understanding, changing, and adapting appropriately to a global work environment and challenging cultural differences while at the same time having a clear and stable sense of who they are as individuals, which includes an unambiguous understanding of their most fundamental values. The ability to adapt and change within the context of a stable self-identity is critical to remaining mentally and emotionally healthy in a new cultural environment. Self-Management consists of the following six sub-dimensions:

Optimism (α = .74). This dimension considers the extent to which someone maintains a positive outlook toward people, events, and outcomes generally, and views challenges as learning opportunities. New intercultural environments are almost always stressful, so facing such situations with a naturally positive outlook invariably improves an individual's ability to cope and adjust.

Self-Confidence (α = .83). The self-confidence dimension assesses the level of personal belief in one's ability to achieve whatever one decides to accomplish, even if it is something that has never been tried before. Such a predisposition increases the likelihood that individuals can access the emotional wherewithal to persevere in new cultural environments that prove to be challenging or frustrating.

Self-Identity (α = .73). This dimension considers a person's ability to maintain his or her personal values and beliefs regardless of the situation. A strong self-identity means an individual has strong personal values and can maintain a high sense of personal integrity while at the same time remaining openly accepting of those

who are different, without feeling personally threatened.

Emotional Resilience (α = .81). This dimension measures one's level of emotional strength and ability to cope favorably with irritations, setbacks, frustrations, and failures. It also assesses the capacity to recover quickly from psychologically and emotionally challenging situations.

Non-Stress Tendency (α = .81). This dimension assesses an individual's innate capacity to respond with peacefulness, serenity, and equanimity to potentially stressful situations or circumstances, whether they are derived from different sources or from a wide range of stressors.

Stress Management (α = .74). This dimension considers the degree to which individuals report actively utilizing stress reduction strategies and techniques when faced with stressors in daily life, as well as the degree to which they are willing to employ new stress reduction techniques in the future.

The *GCI* contains 180 items and is only available via online administration. It currently is available in nine languages (English, Chinese, French, German, Japanese, Spanish, Portuguese, Korean, and Arabic). The average respondent requires approximately 45 minutes to one hour to complete the assessment. The current version of the *GCI* (i.e., version 3.1) provides an individualized feedback report that gives results for each of the *GCI*'s 17 dimensions, three broad factors, and an Overall Competency. Profiles are generated by comparing individual scores to a worldwide normative database of more than 35,000 respondents to date. A Social Desirability (SD) scale (α = .83) is also included; although the SD results are not explicitly reported to respondents, administrators are able to ascertain the SD score because it is discretely embedded on the cover page of the individual feedback reports. Administrators can use results on the SD scale to determine the likelihood that respondents may have answered the *GCI*'s self-report items with the intent to elicit favorable scores.

Longitudinal research (Furuya, 2006; Furuya, Stevens, Bird, Oddou, & Mendenhall, 2009) conducted with samples of Japanese international managers linked overall *GCI* scores with higher levels of "hard" measures of global competencies learning and acquisition. Specifically, higher *GCI* scores were related to higher levels of three types of skill outcomes: 1) *global business acumen*, consistent with the formulation put forward by Black, Morrison, and Gregersen (1999) of savvy use of extensive knowledge about business in a worldwide context; 2) *employee management skills*, which correspond closely to Bird and Osland's (2004) conceptualization of interpersonal skills (i.e., mindfulness of intercultural communication, creating and building trust, and teaming); and 3) *global administrative skills*, which corresponds to Bird and Osland's (2004) description of the system skills of spanning boundaries, managing change through building community, and leading. Higher *GCI* scores were also associated with higher levels of skill transfer upon repatriation, increased motivation and attachment to the employer, and higher levels of general work performance as measured by supervisor evaluations. A more extensive review of the *GCI*'s convergent, differential, and predictive validities (including prediction of foreign language acquisition), is provided by Stevens et al. (2014).

11. Global Executive Leadership Inventory

Kets de Vries and associates (Kets de Vries, Vrignaud, & Florent-Treacy, 2004) developed the *Global Executive Leadership Inventory (GELI)* out of extensive work with executives involved in training programs at INSEAD. They concluded that most leadership inventories rely on data collected by means of self-report questionnaires, which suffer from an inherent subjectivity bias. They also noted that the gap between a leader's personal assessment of capabilities and the assessments of those capabilities by others was often significant. They thus settled on a 360-degree feedback approach as a means of identifying levels of competency and also of identifying awareness gaps in those competencies. Drawing on prior leadership research and on interviews with global executives, the *GELI* developers identified two broad roles that global leaders carry out—one being primarily charismatic (i.e., inspiring, directing, and motivating others), and a second primarily architectural (i.e., designing systems and processes to help make the organization and people within it effective). These two broad roles were broken down into twelve sub-dimensions, which are presented below.

Visioning (α = .77). This dimension addresses a leader's ability to develop and articulate a vision and accompanying strategy that encompass the firm's global needs and are accessible and can be embraced by all stakeholders (e.g., shareholders, employees, suppliers, and customers).

Empowering (α = .80). Finding ways to empower employees throughout the firm by means of information sharing and delegation of authority comprises this second dimension.

Energizing (α = .82). The third leadership dimension involves the ability to energize and motivate employees to bring the firm's mission to reality.

Designing and Aligning (α = .84). This dimension focuses on the propensity to design organizational structures and control systems appropriate for the effective functioning of the firm at a global level consistent with the firm's mission, vision, and strategy. It also encompasses the ability to direct employee behavior consistent with organizational culture and values.

Rewarding and Feedback (α = .87). Effective global leaders must also be able to establish and implement performance appraisal and reward systems that drive the right employee behaviors on a global level.

Team Building (α = .85). This dimension addresses the capacity to design, motivate, and focus teams to effectively work across time, space, and diversity. It also entails the capacity to foster an organizational climate that encourages collaborative effort and the constructive use of conflict.

Outside Orientation (α = .82). This dimension emphasizes the ability to direct employee awareness and attention to external constituencies, such as customers, suppliers, and other stakeholders, including local communities.

Global Mindset (α = .87). This refers to fostering among employees at all levels an awareness and knowledge of the global context in which the firm operates. This dimension also encompasses a sensitivity and ability to work across cultures.

Tenacity (α = .76). Effective global leaders must also have courage and persistence in pursuing those ends that serve the firm's purposes and are consistent with firm and personal principles. Leading by example, effective global leaders should also encourage others to do likewise.

Emotional Intelligence (α = .91). The creation and maintenance of trust and the fostering of an emotionally intelligent organization is another capability found in effective global leaders who are self-aware and able to work with others in a respectful and empathetic manner.

Life Balance (α = .79). Global leadership extends beyond the boundaries and mission of the organization and into non-work life through the capacity to maintain balance in work and personal life necessary to maintain the long-term welfare of the individual. Effective leaders are able not only to model this behavior but articulate it in ways that impact those with whom they work and for whom they are responsible.

Resilience to Stress (α = .84). This final dimension addresses a leader's ability to manage multiple types of stressors—such as work, life, health, and career—and manage such pressures so that that balance can be maintained.

The *GELI* is designed as a 360-degree feedback assessment. In order to generate viable reports, it is essential that at least two observers—typically a supervisor or boss, coworker, direct report, or close acquaintance— complete the observer's portion of the instrument. Both the Leader and Observer versions of the *GELI* contain 100 items and can be administered either online or via paper-and-pencil format. The average respondent requires from 15 to 20 minutes to complete the instrument. Observers also have the option of providing written comments that elaborate on their survey responses. There are English, Dutch, French, German, and Italian versions of the *GELI* available. There does not appear to be any monitoring of social desirability response patterns. The results are provided via a feedback report that presents the respondent's scores based on norms

drawn from the more than 2,000 executives who initially completed the inventory during its development phase. The respondent's scores are also presented relative to observers' scores for each of the 12 dimensions. Where sufficient numbers are available, observer scores are presented in aggregate, and by observer group (i.e., managers, direct reports, peers, etc.). In this regard, the *GELI* presents a type of gap analysis similar to that of the *GLO* (described below).

Research on the internal validity of the *GELI* found support for the psychometric properties of the instrument (Kets de Vries, Vrignaud, & Florent-Treacy, 2004), and developers of the *GELI* report that it is highly predictive of executive performance in organizations (Kets de Vries, 2005). However, because these results have not been made public through studies published in peer-reviewed journals, it is not possible to independently confirm these reports of validity.

12. Global Leadership Online

Based upon research by Gundling and his colleagues at Aperian Global (Gundling, Hogan, & Cvitkovich, 2011), the *Global Leadership Online* (*GLO*) was developed for use primarily in business settings. The *GLO* measures five dimensions, the initial letters of which form the acronym SCOPE. The dimensions and facets were developed based on the authors' interviews of 70 international assignees. Of the interviewees, 56 participants had been on multiple assignments, were drawn from 26 countries, and had worked in 32 different destination countries.

Seeing Differences is the first dimension and involves the ability to notice important cues. It is comprised of the following two sub-facets: *Cultural Self-Awareness* (i.e., the extent to which leaders are aware of how their own cultural experiences influence their perceptions); and *Inviting the Unexpected* (i.e., a person's openness to new situations, new ideas, and new people and the differences they introduce).

Closing Gaps is the second dimension. Once global leaders identify differences, the next act of leadership involves finding ways to close the gaps between the differences. It is comprised of the following two sub-facets: *Results through Relationships* (i.e., the extent to which a person is able to work through interpersonal relationships and personal networks to achieve results); and *Frame Shifting* (i.e., the extent to which a person is able to change their cognitive and behavioral styles to accommodate different contexts).

Opening the System is the third dimension and considers the degree to which leadership across a global organization requires an ability to exercise influence beyond one's personal network; the influence must extend to the system level, and it must bring more people into the process. It has the following two sub-facets: *Expand Ownership* (i.e., the extent to which leaders are able to engage others and have them share responsibility for achieving objectives); and *Develop Future Leaders* (i.e., the capacity to foster the development of others who will take on leadership responsibility in the future).

Preserving Balance is the fourth dimension and reflects the requirement of global leaders to address the competing demands of adapting to the context and adding value through what they bring to the context. Its two sub-facets include: *Adapting and Adding Value* (i.e., the extent to which a person can adapt to the demands of the situation while also adding value by contributing new perspectives or new skills and knowledge); and *Core Values and Flexibility* (i.e., the capacity to retain one's core values and also understand how to apply those values flexibly to new settings, as well as a willingness to incorporate differing facets or nuances of one's core values that may surface through global work).

Establishing Solutions is the final dimension and focuses on the implementation of changes. It is comprised of the two following sub-facets: *Influence across Boundaries* (i.e., the capacity to work across boundaries— be they business units, functional or organizational); and *Third Way Solutions* (i.e., the ability to draw upon all of the other dimensions and facets to craft creative and appropriate solutions).

The *GLO* includes 60 items, including qualitative responses, and is administered online. The average

respondent requires about 15 minutes to complete the inventory. The assessment has two components—a self-assessment and a multi-rater assessment. There is no mechanism for monitoring social response bias. Results are presented in the form of numerical scores that indicate strengths as well as areas for improvements. Qualitative comments from raters are also incorporated into the report. Information on the reliability and validity of the *GLO* is not publicly available at this time. The recency of its development helps explain the lack of independent empirical studies published in peer-reviewed journals.

Conclusion

It is important to remember, as was pointed out in Chapter 2, that the field of global leadership is still in its infancy, with no established definition and no accompanying set of clearly defined behaviors. Given the nature of the phenomenon, it may be unrealistic to expect that this will be resolved any time soon. Nevertheless, work has begun on several fronts to identify competencies associated with effective global leadership. With two exceptions—the *NEO PI-R* and the *CCAI*—none of the assessments considered in this chapter existed twenty years ago. Indeed several have appeared in just the past several years. We can therefore reasonably anticipate that as global leadership achieves greater clarity as a concept, more assessments will be developed.

A side-by-side comparison of the twelve intercultural and global leadership assessments reviewed in this chapter is instructive. Table 5.1 presents basic information about the content domain measured by the assessments, their validity, their reliability, and various aspects of their usage.

For the most part, the assessments considered in this chapter have demonstrated sound psychometric properties with regard to reliability and internal validity. Additionally, while many also have demonstrated expected convergent and discriminant validity, there is still a critical issue concerning their utility at generating scores and respondent profiles that are predictive of superior global leadership performance. On that point, except for a few measures reviewed in this chapter, there is a paucity of evidence. Nevertheless, there is perhaps reason to be optimistic; when not restricted to global leadership, but considered in the context of performance more broadly defined, there is more evidence to support predictive validity claims. We may thus reasonably anticipate that more empirical research exploring their predictive potential is likely to emerge in the foreseeable future.

Where do we go from here? This chapter began by discussing *competency* as a concept and noted that it involved a link between a pre-existing characteristic or capability and superior performance. The assessments considered here measure a variety of characteristics that could be classified as competencies, but what is sorely missing is a clearly established set of behaviors that constitute *superior* global leadership. Both the *GLO* and *GELI* attempt to address this issue by focusing on managerial actions and behaviors as observed by others, but even these two instruments have been unable to identify the specific set of actions appropriate to a specific position.

Future work might proceed along two lines, both of which involve "flying a little close to the ground." First, it would be useful to learn more about what effective global leaders actually do. As noted in Chapter 2, most empirical research has asked managers to describe what they *think* are the important or critical behaviors for global leaders. This approach runs into the challenge noted early in this chapter of developing an *idealized* rather than a real or *practical* understanding of what global leaders do. Research that observes and measures actual performance may be more productive in establishing the behavioral standards necessary to work backward in the causal link to competencies. Second, most of the assessments in this chapter focus on soft competencies—that is, characteristics of personality, worldview, or attitude. This may seem appropriate given that global leadership appears to fit into a wide variety of contexts and positions where soft competencies are more broadly applicable. However, it will likely prove more useful to emphasize hard competencies along the lines of identifiable skills or behaviors that contribute to high performance. For example, do global leaders who engage in more reflective listening behaviors perform at higher level than those who do not? Reflective listening is a hard competency, a skill that can, to varying degrees, be developed through practice and application. It is also a skill that we might expect to contribute to more effective intercultural communication, which in turn would contribute to other effective leader behaviors. With such a skill-based approach to global leadership, we are optimistic that both assessments and the subsequent professional development activities and treatments that invariably follow will likely find greater traction in the domain of global leadership competencies where much is at stake.

Table 5.1 Comparison of Intercultural and Global Leadership Assessment Tools

	Cross-Cultural Adaptability Inventory	Global Competencies Aptitude Assessment	Intercultural Effectiveness Scale	Intercultural Development Inventory	Multicultural Personality Questionnaire	Intercultural Readiness Check
Acronym	1. CCAI	2. GCAA	3. IES	4. IDI	5. MPQ	6. IRC
Reliability	Low	Moderate	High	High	High	High
Validity:						
content	Moderate	Moderate	High	High	High	High
predictive	Low	?	Moderate	Not recommended	Moderate	N/A
convergent	?	?	High	High	High	Moderate
face	High	High	High	High	High	Moderate
differential bias	?	?	No	No	?	?
Social Desirability Check	No	No	No	No	No	No
Cost	$6–12	$20	$12	$10	N/A	$200
Usability	Simple	Moderately complex	Simple	Moderately complex	Moderately complex	Modertely Complex
Qualification Standards	Required	Not required	Not required	Required	Not required	Not required
Target Audience	Originally for expatriate coaching, and predeparture training, etc.	Education and business settings	Any intercultural setting or cross cultural encounters	Education, business, government, NGOs and non-profits	Education and business settings	Business settings
Time Requirements	~15 min.	~20 min.	~15 min.	~30 min.	~20 min.	~15 min.
Delivery Method	Online or Paper & Pencil	Online	Online or Paper & Pencil	Online	Online	Online or Paper & Pencil
Languages Options	English only	English only	English, Chinese, French, German, Japanese, Spanish, Arabic	Currently available in 12 languages	English, Dutch, French, German, Italian	English, Dutch, French, German, Japanese
More Information?	Vangent	Global Leadership Excellence, LLC	Kozai Group, Inc.	IDI, LLC	Van der Maesen Personnel Management	IBI (Intercultural Business Improvement)
Dimensions Measured						
	Flexibility/Openness	Internal Readiness	Continuous Learning	Denial	Cultural Empathy	Intercultural Sensitivity
	Emotional Resilience	Self-Aware	Exploration	Defense	Open-Mindedness	Cultural Awarness
	Perceptual Acuity	Willing to take risks	Self-Awareness	Minimization	Social Initiative	Attention to Signals
	Personal Autonomy	Perceptive and respectful of diversity	Interpersonal Engagement	Acceptance	Emotional Stability	Intercultural Communicatio

Open minded	Global Mindset	Adaptation	Flexibility	Active Listening
External Readiness	Relationship Interest	Integration		Adjusting Communication Style
Globally Aware	Hardiness			Building Commitment
Knowledgeable about World History	Positive Regard			Building Relationships
Interculturally Competent	Resilience			Reconciling Stakeholder Needs
Effective Across Cultures				Managing Uncertainty
				Openness to Cultural Complexity
				Exploring New Approaches

*Sub-dimensions are italicized.

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Part III

Global Leadership Development

Process Models of Global Leadership Development

Joyce S. Osland and Allan Bird

> If we want to understand leadership, we need to look at our own experiences. I believe that we carry within us enough experience to form our own simple, coherent approach to being a good leader. Creating and clarifying our own leadership approaches will help us (one by one and in our own ways) truly make a difference.
>
> —Margaret Wheatley

> The next CEO of GE will not be like me. I spent my entire career in the U.S. The next head of General Electric will be somebody who spent time in Bombay, in Hong Kong, in Buenos Aires. We have to send our best and brightest overseas and made sure they have the training that will allow them to be the global leaders who will make GE flourish in the future.
>
> —Jack Welch, former CEO of GE

Now that we have a better idea of what global leaders are like, the natural follow-on questions are "How did they get that way?" and "How can we develop prospective global leaders?" Carlos Ghosn, award-winning chairman, CEO, and president of Nissan, and Renault is one of the most famous global leaders in the business world. A look at his background shows that he was born in Brazil and educated in France. Ghosn worked in the United States for seven years as head of Michelin and spent three years with Renault in France before becoming president and CEO of Nissan. One of the few non-Japanese CEOs of Japanese companies, Ghosn is so popular that bento box lunches are named after him on some restaurant menus. He is given credit for Nissan's leadership in the electric car market as well as Nissan's successful turnaround effort and cross-border alliance with Renault.

Although cultural differences crippled other cross-border automotive alliances, such as Daimler-Chrysler, Ghosn sees them as opportunities. "When you have taken the time to understand [that people don't think or act the same way] … and when you are really motivated and mobilized by a very strong objective, then the cultural differences can become seeds for innovation as opposed to seeds for dissention" (Emerson, 2001: 6). He believes that in order to call yourself 'international,' "you have to go to countries that have a totally different way of thinking, a totally different way of organization, and a totally different way of life" (Emerson, 2001: 7). Ghosn had an international experience early in life when he studied abroad, has lived in four continents, and clearly appreciates cultural differences. In this respect, his background is similar to many other global leaders.

Kets de Vries and Florent-Treacy (2002) identify the foundation for developing global leadership in their research sample as:

  family background that involved *intercultural experiences* (mixed-culture marriages, bilingual parents, exposure to other cultures);

  early education involving international schools, summer camps, and travel;

  later education that included exchange programs, languages, and international MBA programs; and

spouse and children who are supportive, adventurous, adaptable, and mobile.

However, this may also reflect the type of background that was typical in their research sample at INSEAD, a highly diverse graduate business school in France. Osland and her colleagues (Osland, Bird, Oddou, & Osland, 2007; Osland, Bird, & Oddou, 2012) found that not all of their expert global leaders had international backgrounds. They were, however, highly intelligent, quick learners who had been transformed by exposure to significant non-cultural differences at some point and, as a result, developed cognitive and social flexibility.

To complement the individual personal development that lays a foundation for global leadership development, organizations provide professional development in the form of training, transfer, teamwork, and travel. These same four development activities, especially transfer, were suggested as the most effective ways to develop global leadership in other research (Black et al., 1999). Transfer, more commonly referred to as international assignments, varies in terms of the type of development that is sought. Zaccaro, Wood, and Herman (2006) identify three types of experienced-based developmental job assignments. "Stamping-in" experiences involve work assignments where the individual is given tasks that require them to apply recently acquired skills or knowledge so as to reinforce and internalize what was previously learned. By contrast, action-learning assignments place managers in the position of working on real-time problems of importance to the company and requiring more than just applying learning. The final type identified by Zacarro and associates are "stretch" assignments that move people out of their comfort zones and require them to approach the task differently—to work with challenging problems in unusual circumstances with significant uncertainty and risk. By and large, many international assignments are seen as fitting the latter type. Nevertheless, it is useful to recognize that all three types play a role in the developmental process. We will discuss the organizational role in development more directly in Chapter 8. In this chapter, our focus is on how global leaders develop.

While the global leadership literature provides numerous recommendations concerning global leadership development, few of these recommendations are based on empirical research (for a review of the literature on global leader development, see Suutari, 2002). The exceptions included interviews with global managers and leaders asking for either recommendations or personal accounts concerning global leadership development (Black et al., 1999; Kets de Vries & Florent-Treacy, 2002; McCall & Hollenback, 2002) and the sole longitudinal study of global leaders (Graen & Hui, 1999). In a longitudinal study, the eventual career progress of Japanese global leaders (Graen & Hui, 1999: 17–18) was predicted by three behaviors that occurred in the first three years of their career: 1) building effective working relationships characterized by trust, respect, and obligation with immediate supervisors; 2) networking derived from their contacts at prestigious universities; 3) doing more than was expected in the face of difficult and ambiguous performance expectations. The last element, "difficult and ambiguous performance expectations," is an example of the challenging experiences that constitute a common element in all models of global leadership development (Kets de Vries & Florent-Treacy, 2002; McCall & Hollenbeck, 2002; Osland et al., 2006). As Mary Catherine Bateson wrote in *Peripheral Visions: Learning along the Way:*

> Insight, I believe, refers to that depth of understanding that comes by setting experiences, yours and mine, familiar and exotic, new and old, side-by-side, learning by letting them speak to one another.

We will look at four models of global leadership development in the following sections.

The Chattanooga Model of Global Leadership Development

In 2001, a team of scholars spent two days at the Frierson Leadership Institute at the University of Tennessee, Chattanooga, reviewing their collective experience and wisdom as scholars and consultants in the area of global leadership. The team consisted of Allan Bird, Nakiye Boyacigiller, Paula Caligiuri, Mark Mendenhall, Edwin Miller, Joyce Osland, Günter Stahl, and Mary Ann Von Glinow. What emerged from that intensive effort was a framework for developing global leadership talent that came to be known as the Chattanooga Model. It was a process model of global leadership based on the assumption that global leadership development for an individual was a nonlinear, emergent process that is moderated by a variety of key variables, across time (see Figure 6.1).

To understand how the process works, let's begin in the lower left-hand corner of the model by focusing on the potential global leader. This model assumes that a manager enters a global/cross-cultural context, probably through an expatriate assignment, and is immersed in that environment over an extended period of time. Entering managers bring with them certain basic, core stable personality traits, including fairly immutable competencies (ambition, desire to lead, sociability, openness, agreeableness, emotional stability, etc.) and cognitive processes (attribution flexibility, cognitive complexity, tolerance for ambiguity, etc.). The degree to which managers perceive a sense of calling with respect to global work or perceive themselves as global citizens and view the assignment as something that fits "who they really are" can influence both their attitude toward the hardships they may encounter and whether they will be more likely to develop leadership capabilities as opposed to simply engaging in bureaucratic behaviors in the international assignment. Managers also enter this context with existing levels of self-efficacy that are brought to bear on various aspects of living and working globally. Finally, managers enter the global context armed with varying existing levels of global leadership competencies.
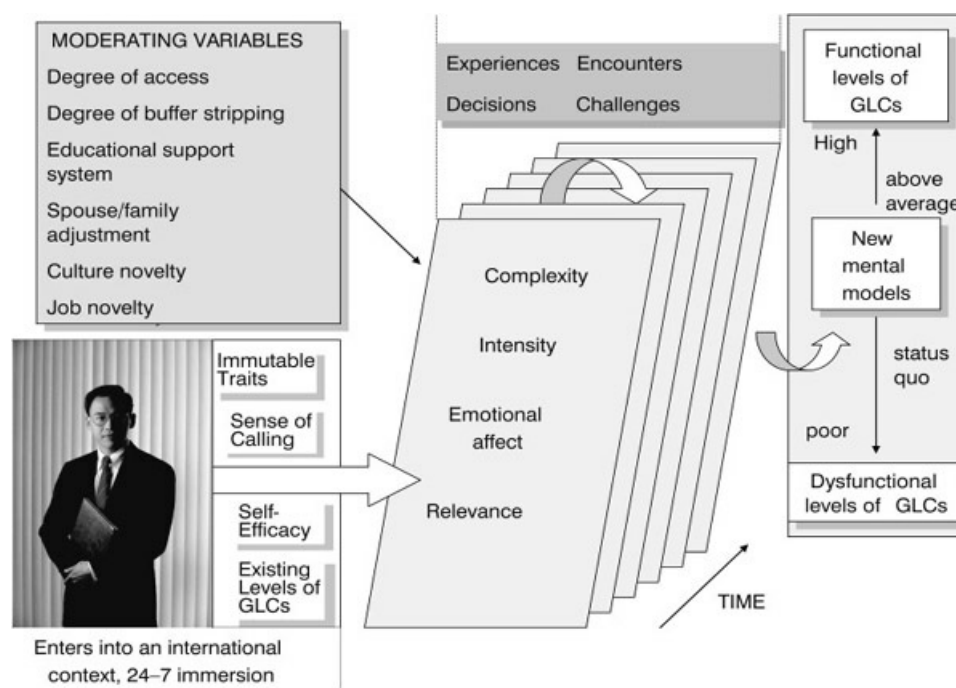
Figure 6.1 The Chattanooga Model of Global Leadership Development

Thus, each manager enters the global context with a unique configuration of individual variables, bringing that configuration to bear upon the multitude of daily experiences he or she encounters in the new milieu. The

"folders" or "pages" in the center of [Figure 6.1](#) are representative of single experiences, interactions, and challenges the individual passes through over time. The recursive arrow in the model indicates that a current experience can cause, through its effect on memory, a revision or revisiting of past experiences. The development process is not based on a sequence of independent experiences; rather, each experience is tied to past experiences and constitutes a sense-making process of learning and acquiring global leadership capability. Bennis and Thomas (2002: 14) refer to this process as constituting "crucible" situations "characterized by the confluence of powerful intellectual, social, economic, or political forces" that severely test one's patience, and one's beliefs, and that produce a transformation in managers, leaving them deeply different relative to who they were prior to the crucible experience.

The specific nature of various global/cross-cultural crucible experiences is critical to the development of global leadership. The transformative potential of each experience can be understood in terms of four elements. Experiences with higher levels of each one possess greater transformational potential.

Complexity embodies the degree to which the experience involves situations or issues that are multilayered or multifaceted (i.e., can be understood in multiple ways or involve competing perspectives). For example, conducting a performance appraisal in an acquired language with a direct report in another country is more complex than conducting the same performance appraisal in one's native language in one's home country with an employee who shares one's cultural background. In addition to mastering elements of multiple cultures, the necessity of conveying and receiving nuanced meaning accurately further increases complexity. More complex experiences have more transformative potential because there is a larger volume of information—different layers, multiple explanations—available for processing. Also, the processing of that information can be addressed from multiple perspectives.

Affect addresses the extent to which emotion is present or stimulated by the experience. For instance, overseas experiences and sophisticated simulations can elicit strong affect, such as frustration, stress, or the elation that comes from mastering a difficult challenge. More affective experiences have more transformative potential because experiences with a strong affective element are recalled more vividly and are available for recall over a longer duration. Hence they are more accessible for subsequent reflection. Also, as a trigger event, strong emotion may stimulate autonomic responses that, in themselves, have transformative potential.

Intensity involves the degree to which the experience requires concentrated attention or effort. For example, engaging in high-level international negotiations with a short deadline have a higher degree of intensity than fact-gathering. More intense situations compel more attention. More intense experiences have more transformative potential because the higher level of attention increases the prospect for absorbing more information, particularly more context-specific information. Higher levels of context-specific information provide increased probabilities for improved cue identification and subsequent explanation.

Relevance is the extent to which the experience is perceived as relevant to an objective or value important to the individual. More relevant experiences possess more transformative potential because they are likely to elicit higher levels of attention and information gathering, are more easily placed in an existing schema, and are more likely to elicit sensemaking behavior given greater motivation to learn and understand the experience. As with the other elements, more relevant experiences are more likely to be recalled for reflection purposes.

Relevance is distinct from the other three in that it is separable from the experience itself in a way that the other three are not. Objectives and values may change over time, leading to a reassessment of the significance or triviality of the experience or elements within the experience. For example, an interaction with someone may seem trivial in the moment and then afterward become significant when it is learned that the person is important, e.g., the president of a potential client company.

The transformational potency of experiences can be diluted or even cancelled out by a series of moderators that are found in the upper box on the left side of [Figure 6.1](#). In some cases, the experiences are buffered by organizational policies or by the individuals themselves; in others, the experiences are simply not novel or challenging enough to trigger transformation. Experiences are buffered when the degree of access to

transformative experiences is constrained by companies or the individual managers. For instance, if company policy is to provide expatriates with chauffeurs, translator/assistants, and housing in expatriate enclaves, their managers may live in a bubble that separates from the foreign culture and limits contact with its citizens. There are numerous examples of expatriates who socialize only with their compatriots and enroll their children in international schools, which buffers them from transformative experiences. The final two moderators relate to the degree of challenge in such experiences, which is couched here in terms of cultural novelty and job novelty. This assumes that a greater degree of novelty or difference will necessitate the adaptation and growth that develops global leaders. In sum, each of the variables in this section moderates the transformative role or strength of potential experiences and therefore either enhances or detracts from global leadership development.

The critical factor in the global leadership development of any manager is access to high-level challenges. Consistent access to the right sorts of challenges may produce, in some cases, solid global leadership competency development over time, which brings us to the outcomes on the right side of the model. Success, however, is not guaranteed, and access may also lead to failure. Managers may be given the right kind of experiences but find they are unable to handle them or learn from them because the challenges are overwhelming. Although the goal of challenging experiences is to help managers develop new mental leadership models, there is the possibility that the newly developed models are actually dysfunctional, reflecting a learning of the wrong lessons. For example, stereotypical thinking, misattributions, and inaccurate cause-and-effect links are frequent examples of learning the wrong lessons and developing inaccurate mental models. Though these mental models appear at the end of the process in Figure 6.1, such models are being created over and over again, in response to each experience the individual has; thus, the developing framework is malleable, but with the potential to harden into a dysfunctional systemic framework if experiences are not handled effectively over time.

In summary, the Chattanooga model perceives the global leadership development process as emergent in nature and dynamic in process. If a manager's immutable personality traits, access to powerful challenges, etc., are consistent with what is required to work and learn in the global context, a functional global leadership process will ensue, and the manager will develop global leadership competencies. It is important to recognize, however, that other outcomes ranging from "status quo" to "dysfunctional" can result. At any point in time, a manager's developmental trajectory can rise or fall, moderated by the unique constellation of forces that impinge upon any given experience.

The Global Leadership Expertise Development Model (GLED)

The GLED model expands upon the Chattanooga model but focuses primarily on the development of expertise in global leaders. The argument that global leadership development is a process of personal transformation is a recurrent theme. Presuming this thesis is cogent, it is likely that global leadership development is not a linear progression that simply adds to an existing portfolio of leadership competencies but rather a nonlinear process whereby deep-seated change in competencies, expertise, and worldview through experiential learning occur over time (Osland et al., 2006). As with the previous model, this one relies on transformative crucible experiences that test a person's mettle and beliefs. Traditional training cannot in and of itself be the primary tool through which GL expertise and competencies are inculcated within individuals. Organizations need to ensure that prospective global leaders are exposed to transformational experiences in their developmental process.

Based on the research literature and the presumption that GL development is an emergent phenomenon, we offer the following process model, referred to as the GLED model (see Figure 6.2) to illustrate GL expertise development. This model is an extension of the Chattanooga Model in Figure 6.1.

The left side of the GLED model contains four categories of *antecedents*: individual characteristics, cultural exposure, global education, and project/job novelty. The individual characteristics category comprises the content domain of intercultural competence for global leaders (Bird, Mendenhall, Stevens, & Oddou, 2010). The other three categories also contain variables related to one or more aspects of GL development or expertise (Black et al., 1999; Caliguiri, 2004; Kets de Vries & Florent-Treacy, 2002; McCall & Hollenbeck, 2002; Yamazaki & Kayes, 2004).
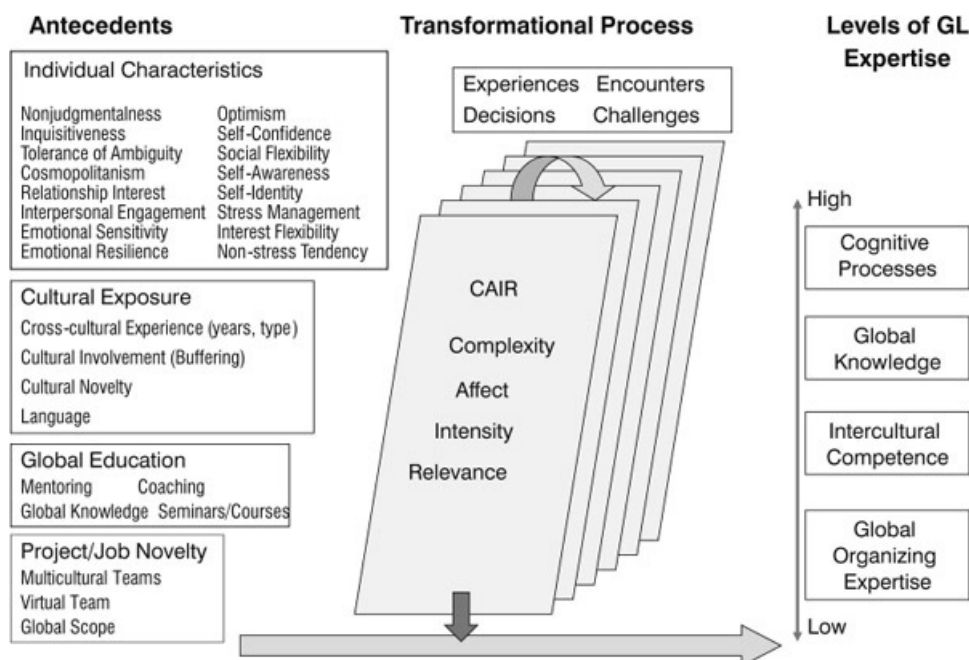
Figure 6.2 A Model of Global Leadership Expertise Development

Four dependent variables—cognitive processes (expert decision making), global knowledge (facts related to the global environment and work domain), intercultural competence (ability to work effectively across cultures), and global organizing expertise (systems thinking and architecture necessary to create and maintain effective global organizations)—combine to determine the *level of GL expertise.* These categories are based on

Mendenhall and Osland's (2002) categorization of GL competencies. GL expertise is conceptualized as a continuum. Domestic leaders or novice global leaders may manifest some degree of GL expertise as a result of their work or experience with other nationalities. Similarly, not all global leaders will be fully expert. As Dreyfus and Dreyfus (1986) note, there are several stages in the developmental journey, from novice to expert. Higher measures of the antecedents are predicted to correlate with higher measures of GL expertise.

The relationship between the antecedents and outcome measures is mediated by the *transformational process*, which consists of experiences, interpersonal encounters, decisions, and challenges that relate to GL expertise. Not all cross-cultural experiences develop GL expertise, so transformational experiences differ from those found in the cultural exposure category. Furthermore, not all global or cultural experiences have the same impact (McCall & Hollenbeck, 2002; Osland et al., 2006). The transformational process, as in the Chattanooga Model, refers to a series of crucible experiences with varying degrees of complexity, emotional affect, intensity, and developmental relevance. Experiences with higher levels of each of these four elements possess greater transformational potential that, in turn, will result in developing a higher level of GL expertise.

Kohonen (2005) proposes an identity construction perspective in global leader development that is consistent with the Chattanooga and GLED models. She posits that the transformations described in these models represent occasions for professional and career identity construction. Coping and competency-development experiences associated with these international assignments give rise to a re-evaluation of one's identity. This may be particularly true with regard to global leader competencies such as global mindset.

A longitudinal examination of GL development would presumably reveal that dynamic individual characteristics increase as a result of transformational experiences and that current experience can cause, through memory, an updating or reliving of past experiences. Thus, GL development over time is more spiral-like and recursive than Table 5.2 suggests (Osland et al, 2006). The GL development process is not based on independent experiences; rather, each experience is tied to past, multiple experiences and constitutes a sense-making process of learning and acquiring global leadership expertise (Osland et al., 2006).

Both the Chattanooga model and the GLED model are conceptual in nature and have yet to be fully validated, though recent empirical work on several fronts points to their validity. For example, Caligiuri and Tarique (2011) found that personal predispositions of openness to experience and extraversion related positively to tolerance of ambiguity and cultural flexibility and negatively to ethnocentrism. Additionally, emotional stability was also related to lower levels of ethnocentrism. They also found that high-contact experiences, particularly those initiated by the organization, also facilitated development of competencies related to effective performance. In a similar vein, Pless, Maak and Stahl (2011), reported on findings from a study of company-sponsored participation in international service learning programs. They found that after going through the program, participants increased in the following domains, all of which are important for global leadership: responsible mindset, ethical literacy, cultural intelligence, global mindset, self-development, and community building. They reported that the processes that facilitated the heightening of these competencies were paradox confrontation and resolution, construction of a "new life-world," and emotional sense-making.

A Model for Developing Global Executives

The third model focuses on the interaction and partnership between the individual and the organization. It was developed by McCall and Hollenbeck (2002) on the basis of interviews with global executives (actual global leaders) who worked overseas. International assignments, which are viewed as the most powerful development tool in facilitating global leadership competencies (Gregersen et al., 1998; Hall, Zhu, &Yan, 2001; Mendenhall et al., 2001), received a great deal of attention in McCall & Hollenbeck's research and model.

Individuals cannot be forced to develop, and they themselves bear the ultimate responsibility for their development. Organizations, however, establish an organizational culture and policies that either enhance or impede development. Due to the experiences organizations provide, they can be the source of both intended and unintended lessons. Therefore, these authors recommend that organizations be both intentional and collaborative about development. Stated simply, this model is based on the idea that the company strategy determines what qualities are required in its leaders, and then talented people are hired and given appropriate experiences and support in order to develop those qualities.

One of their research questions involved testing whether a developmental model based on research on US executives (McCall, 1998) would also apply to an internationally diverse group of global executives. They found that the earlier model was relevant for global executives with only one adaptation—the addition of context to the experience component, which you can see in Figure 6.3. Context, in this instance, usually relates to culture. Therefore, they concluded that "this basic process of development is the same for all executives, regardless of the countries they come from or whether the development is for global, expatriate, or local executive work" (McCall & Hollenbeck, 2002: 172). Although the basic components of the model are similar for all groups, the specifics of developing global executives do differ significantly—another example of a difference of both degree and kind. "Global executive development is much more complex and unpredictable and requires a greater focus, effort, and resources concentrated over a longer period" (McCall & Hollenbeck, 2002: 172). They justify their argument with these observations:

The global business strategy determines, to an even greater extent, the relevant lessons leaders need to learn.

A wider range of more difficult developmental experiences has to be available to develop a more talented cadre of executives.

Development takes place in a more complex, multicultural global environment with more diverse executives.

The mechanisms for development are more complicated, difficult to administer, and expensive.

Figure 6.3 A Model for Developing Global Executives

The McCall and Hollenbeck model is described below. The starting point chronologically is Business Strategy in the upper right corner.

Business Strategy

An organization's strategy and structure determine the number of international jobs, the types of global executives and their nationalities, and the skills they will need. If a firm opts to grow via acquisitions and alliances, they need executives with experience working across company borders. If the structure is organized along strict functional lines, it will be difficult to provide executives with the necessary cross-functional experience early in their career. The choice of geographic markets, for example, can determine how many executives of what cultural mix will be needed. The type of work leaders will be expected to do and where they will do it all depends on the business strategy. It informs the Experience and Context as well as The Right Stuff, described next.

The Right Stuff

In this model, "the right stuff" refers to the end-state of development, what leaders have learned. It is determined by the business strategy and therefore varies by company. McCall and Hollenbeck (2002) believe that leaders are "made" (or born, then made) because most of what they need to master can be learned and is learned primarily from global experiences. The usual things that all executives have to know are made more difficult and subtle in a global context. Thus, there is a second category of lessons that relate specifically to the international nature of their jobs and are rooted in cultural differences and the unique demands of expatriation.

Table 6.1 lists the themes and lessons that were reported by McCall and Hollenbeck's sample when they were asked to tell about at least three experiences that had shaped them as international executives and what they had learned from those experiences. The list is not necessarily exhaustive of lessons learned; nor are these lessons universal to all global executives. They do indicate the type of lessons learned from global experiences. The authors compared these findings to the lessons learned by a sample of US executives that was carried out in the 1980s. Many of the same lessons emerged from both samples, indicating that, on the surface at least, there is a common skill set shared by global and domestic executives.

The comparison, however, also surfaced significant differences in lessons learned. Cultural lessons composed 15 percent of the lessons learned by global executives; this category never emerged from the domestic executives. Furthermore, global executives reported more "big picture" lessons related to the Strategies for Doing Business category, while the US executives recounted more lessons related to the Learning to Lead and

Manage Others category. From this, McCall and Hollenbeck conclude that global executives have a broader perspective on the world, which is why it can be difficult for them to return to a narrower scope in a domestic job once they have worked abroad. Learning to listen carefully and the importance of the family in global work were more significant to global executives than to US executives. McCall and Hollenbeck (2002) argue further that even lessons that seem similar on the surface, such as learning to be flexible, are deeper and broader when learned in the more complex and uncertain global settings. For that reason, there is no substitute for actually working in another country (McCall & Hollenbeck, 2002: 180).

Table 6.1 The Themes and Lessons of International Experience

Learning to Deal with Cultural Issues and Different Cultures

1. Learning to speak a foreign language

2. Learning about specific foreign cultures and contrasts between specific cultures

3. Learning generic lessons about living and working in foreign cultures

Learning to Run a Business—Strategy, Structure, Processes; Global versus Local; Specialized Knowledge

1. Learning strategies for doing business

2. Learning the specifics of running a business

Learning to Lead and Manage Others—Selection, Development, Motivation, Team Building, Deselection

1. Learning how to establish credibility

2. Learning to select the right people

3. Learning to build and sustain an effective team

4. Learning to make tough calls about people

5. Learning to stay focused—keeping it simple, setting clear goals

6. Learning to keep people motivated and committed, what to delegate and what not to delegate

7. Learning to develop people and the importance of developing people

Learning to Deal with Problematic Relationships—Headquarters, Bosses, Unions, Government, Media, Politics

1. Learning to handle immediate bosses and other superiors

2. Learning to manage the interface with headquarters and the larger organization

3. Learning to handle public appearances and the media

4. Learning to deal with governments and (external) politicians

5. Learning to deal with unions and other types of negotiations

6. Learning about internal politics

Learning about the Personal Qualities Required of a Leader

1. Learning to listen carefully, to ask questions, and to see the world through other people's eyes

2. Learning to be open, genuine, honest, fair; to treat other people with respect; and to trust others

3. Learning to be flexible, to adapt to changing situations, to take changing circumstances into account, to manage multiple priorities and complex relationships, and to think on your feet

4. Learning to assess risks and take them, and to act in the face of uncertainty

5. Learning to persevere, to act with discipline, and to stay calm under tough circumstances

6. Learning to be optimistic, to believe in oneself, to trust one's instincts, to take a stand for what one believes is right, and to accept responsibility for the consequences of one's actions

Learning about Self and Career

1. Learning about likes, dislikes, strengths, weaknesses, and preferences

2. Learning what support you need from family or others, and how to manage the family under the pressure of foreign work

3. Learning to manage your own career and development

Experience

As in the previous two models, experience is found at the center of the model. The significant development experiences identified in McCall and Hollenbeck's work were categorized as foundation assignments (early work experience and first managerial responsibility), major line assignments (business turnarounds, start-ups, joint ventures, alliances, mergers or acquisitions), shorter-term experiences (significant other people, special projects, consulting roles, staff advisory jobs, developmental and educational experiences, negotiations, stint at headquarters), and perspective-changing experiences (culture shock, career shifts, confrontations with reality, changes in scope or scale, mistakes and errors in judgment, family and personal challenges, crises). Exposure to "significant other people" was reported by the largest number of participants (32 percent). These people might have provided either positive or negative lessons. "Especially in global work, opportunities to work in parallel with a predecessor, on-site learning (intentional or not) from a local national, and exposure to others with global careers had important influences and offered important learning opportunities" (McCall & Hollenbeck, 2002: 180).

The organization cannot control all of these experiences. Nor do intentionally designed experiences always result in developmental outcomes. However, individually tailoring experiences, thinking ahead about where individuals might need support, and tracking their progress provide a greater possibility that positive lessons will result. An international experience in the early years of one's career was strongly recommended by the participants. The selection of experiences, like "the right stuff," is ultimately determined by the strategy.

Talent

As [Figure 6.3](#) shows, talent plus experience equal the right stuff. The organization is also responsible for managing talent and ensuring that they provide the right employees with experiences. There are several difficulties in assessing talent in a multicultural global organization: identifying a common standard across cultures, country differences in assessing, promoting and developing managers, wide variability in global executive jobs, and the organization's openness to promoting executives from other nationalities (McCall & Hollenbeck, 2002: 185–186). In order to benefit from the diversity, these factors should be considered:

Career histories have to be interpreted based on their cultural context.

Preexisting assets should be analyzed to assess where individuals stand now, where they could go, and which experience would contribute the most at this particular point.

Ability to learn from experience should be evaluated since this relates to taking advantage of the experience.

Potential for derailment should be analyzed. "Because the traps are more numerous and deadlier in the international context, it is imperative that organizations consider the possibility of derailment when assessing talent" (McCall & Hollenbeck, 2002: 187).

Mechanisms

Talent management also requires appropriate Mechanisms, which refer to those policies and practices that aim at "getting the right people into the right experience." McCall and Hollenbeck (2002: 189) believe that organizations have to establish and maintain five parallel processes that serve both short-term business needs and development needs.

1. *Selection* refers to the organization's need to identify people who are ready to assume global positions. There has to be a system to identify and select these people when unexpected staffing needs arise.

2. *Succession* involves replacement plans with lists of potential successors in case an incumbent vacates a job unexpectedly. When this is done in advance, rather than in the midst of an emergency, more thought and care can be taken.

3. *Development* occurs by placing people in jobs that will expand their cultural or business skills, which is often done with people from a culturally diverse background who have a clear interest in international work.

4. *Discovery* mechanisms provide parochial employees with an opportunity early in their careers to ascertain whether they might have a previously unidentified interest in international work.

5. *Recovery* pertains to the organization's efforts to integrate repatriates when they return home from a global assignment.

Catalysts

The last category of organizational supports are developmental Catalysts that help executives learn from their experiences. One category of catalysts *improve information*, such as interpreting feedback or providing feedback on development as well as on performance and outcomes. A second category *provides incentives and resources*, like holding people accountable for developmental goals or promoting people who model the desired developmental behaviors. A third category of catalysts *support change* by providing emotional support or viewing change in a systems context. "While perhaps an indirect catalyst, support for the whole family [of an executive on a global assignment] turns out to be important from a learning perspective" (McCall & Hollenbeck, 2002: 193).

This model's contribution lies in illustrating the strategic imperatives that drive executive development and the role played by the organization. They "globalized" a domestic model of development, and their international findings provide insight into some of the unique characteristics and challenges of developing global leaders. Given the qualitative nature of their research, future studies could generate hypotheses and test the model with quantitative measures. The work of Furuya and associates (Furuya et al., 2009) provides some support for the McCall and Hollenbeck model. They found that clarification of the alignment of international assignments with firm strategy and supportive HRM policies was associated with significant global leader competency acquisition and transfer.

A Process Model for Global Leadership Competency Development

Recently Mendenhall and his associates (2017) have sought to synthesize and extend the three previous models by drawing upon the work of Lewin (1947) and conceptualizing global leadership development as a process of remapping mental maps. In this regard, they build on the ideas on the work of Black and Gregersen (2000), who also applied the concept of remapping to global leadership development.

Mendenhall and associates (2017) begin by synthesizing prior process models. They organize prior work into a basic model consisting of antecedents, transformational processes, moderating variables, and outcomes. Antecedents include factors such as foreign language fluency, global knowledge, and current levels of global leader competencies. Antecedents are then influenced by moderating variables as they feed into transformational processes. Moderating variables include such things as job/role novelty, degree of challenge, and organizational support systems. Global leadership competency development takes place through a variety of transformational processes. Among these are processes of unfreezing/refreezing, undergoing crucible experiences, and a process of contrast/confrontation. The efficacy of various transformational processes in generating outcomes is also influenced by moderating variables. Ultimately, outcomes occur as a consequence of moderated transformational processes, including among other things changes in cognitive processes, changes in intercultural competence, and changes in the functionality of overall global leadership competence.

Working from this synthesized general framework, Mendenhall and associates (2017) propose a comprehensive process model and accompanying theoretical propositions. The model is presented in Figure 6.4 and focuses specifically on the process of global leader competency development and the factors that influence that process. Key elements of the model are discussed below.

The development process begins with a trigger event, some experience or occasion that startles or disorients an individual, provoking him or her to reflect on a discrepancy between his or her perceived competency and his or her level of efficacy. Self-awareness may focus on a single competency or some collection of competencies or even address overall capability. Experiencing a trigger event alone may not be sufficient to stimulate development. Individuals may respond in one of several ways. They may, for example, upon reflection conclude that there was actually not a discrepancy but simply misfortune at work. Or they may conclude that significant adjustment is required and that competency development is called for.

Developmental readiness is the influential factor in determining how individuals respond to trigger events (i.e., to what extent the individual is ready to undertake effort to develop). They focus on two variables: ability and motivation. Aspects of self-awareness, cognitive complexity, and certain aspects of meta-cognitive ability are hypothesized to impact the extent to which an individual is ready and able to develop. Ability is not the sole determinant of readiness, however; motivation is also necessary. An individual's personal goals and interests, personal learning orientation, and self-efficacy determine his or her level of motivation to pursue competency development. Together ability and motivation influence an individual's self-commitment to develop.
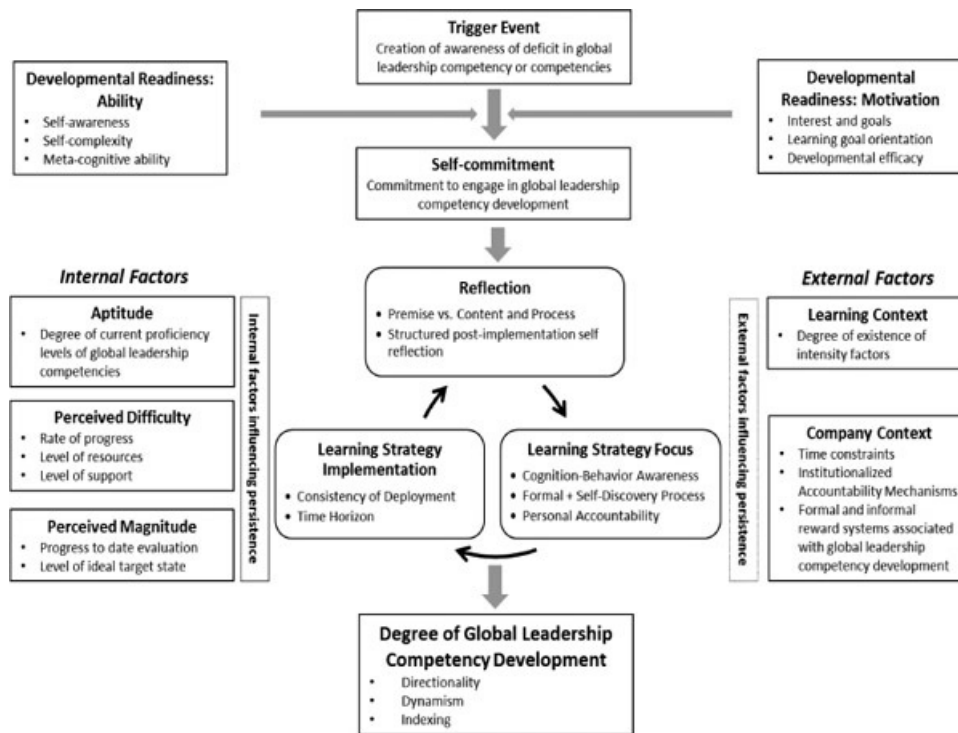
Figure 6.4 A Process Model of Global Leadership Competency Development

Self-commitment, in turn, leads to a developmental process that begins with reflection, which can be of three types. *Content* or *process reflections* refer to considerations of the content or process aspects of a "meaning scheme," or way of viewing or understanding the world. Content focuses on the meaning attached to a scheme, whereas process focuses on the causal linkage in the scheme, the "if-then" connection. Process or content reflection often leads to straightforward transformation. For example, the act of exchanging business cards in the United States may carry a meaning of exchanging information and establishing a connection, and it may be carried out in a particular manner. Upon experiencing the exchange of business cards in Japan, one may expand the understanding of the "exchanging business cards" scheme to include additional elements of content and process common in Japan, such as acknowledging relative status differences or passing the card with both hands. Premise reflections refer to reconceptualizations of the scheme within a broader set of orientations. In the case of the business car exchange, for example, it may lead to a broader consideration of the role of such exchanges in interpersonal interactions, particularly with regard to ways of structuring social order. For Mendenhall and associates (2017), development of global leadership competencies is more consistent with premise reflection because it leads to "profound transformation."

Competency development is most often achieved through experiential activities (e.g., on-the-job learning, "crucible experiences," mentoring or coaching) and is most efficacious when these activities follow principles of cognitive-behavior theory in that they: enhance self-awareness of the relationship between cognition and behavior, are clearly structured, encourage discovery through action, and require that the individual take personal responsibility for managing the developmental process. This constitutes the second phase of the developmental cycle and is referred to as the "learning strategy focus" (Mendenhall et al., 2017).

The final phase of the developmental cycle is "learning strategy implementation," and entails effective execution of learning strategy focus such that competency acquisition is achieved. Research demonstrates that competency development is achieved most effectively when repeated consistently over time—practice makes perfect. Reflection on the outcomes of learning strategy implementation completes one cycle and initiates a new developmental cycle.

Several factors internal to the individual influence the efficacy of the cycle as well as an individual's willingness to persist in competency development. Higher degrees of aptitude for a working the cycle allow

individuals to leverage the cycle to greater advantage. Perceived difficulty, in contrast, may be associated with less willingness to persist or to obtain gains from the cyle. A third internal factor is perceived magnitude, referring to the perceived amount of developmental effort required. As individuals perceive the effort required to achieve a particular level of competency, they may either be motivated or demotivated to continue developmental effort.

External factors also influence an individual's commitment to maintaining developmental effort. A variety of conditions, falling under the heading *learning context*, may either contribute to or detract from an individual's ability and willingness to persist in the developmental cycle. These relate to specific experiential context in what the cycle is enacted, and may include such things as perceptions of powerlessness, cultural difference, degree of cultural immersion, and feelings of isolation. A second set of variables is labeled *company context* and involves such things as rewards/incentives for development, work-related time constraints, and accountability mechanisms.

The outcome of the complex interplay of the developmental cycle and internal and external factors is some degree of global leader competency development. While the amount of development is often the focus, the iterative and ongoing nature of the process points to the importance of attending to two other outcome elements—dynamism and directionality. Dynamism refers to the recognition that there is no steady state in competency development, but rather that competencies are always in a state of flux. Competencies are never "set," but are fluid and may rise or ebb with each experience or turn through the cycle. Related to dynamism, directionality refers to the "trending" nature of development and the direction it is headed. Finally, they introduce the concept of indexing—as in an index of stock prices—to acknowledge that there is a constellational aspect to competency development. Some competencies may be in ascension while others wane.

Mendenhall and associates identify a set of 12 propositions that derive from the process model for global leader competency development and point the way to empirical investigations. They also point to linkages and parallels, including expert cognition (Osland et al., 2013) and responsible global leadership development (Miska, Stahl, & Mendenhall, 2013). Perhaps more significantly, they establish global leader competency development within the broader research stream of cognitive behavior theory, thereby simultaneously providing greater stability for future theory development while also opening up myriad new lines of inquiry.

Lessons from the Global Leadership Development Models

All four models presume that the demands of global leadership in a complex, ambiguous setting will require flexibility and adaptability. Thus, the ability to learn and learn continuously is critical. The development of this learning capability is best achieved through an experiential approach that emphasizes putting people into work situations that reflect the capabilities they need to develop (McCall, 2010). For example, intercultural flexibility is best developed by placing individuals in intercultural settings. In particular, the learning associated with challenging international assignments can result in personal transformation that, in turn, creates a better fit with global work requirements. Because it is "personal" and transformational, the development process for individuals is nonlinear, uncertain, and hard to predict.

We would be remiss not to point out that these models are presumed to be universally applicable (i.e., they describe the developmental process for global leaders regardless of nationality or culture). This is not, however, to suggest that the same experiences, or even the same type of experiences, will be similarly efficacious. Wilson and Yip (2010) find evidence suggesting Indian and Singaporean global leaders may derive very different learning than their US counterparts from identical experiences (Wilson, 2008; Yip & Wilson, 2008). The key insight, therefore, is that effective use of the model requires an individualized application. It is also essential that individuals and organizations clearly understand the purpose or end of development, which is business performance and not the enhancement of competencies (Hollenbeck & McCall, 2003).

More research is needed on process models of global leadership to determine whether the models presented in this chapter are adequate and borne out by empirical evidence. A systemic analysis of the factors that promote or impede global leadership development would verify if the models are comprehensive and avoid a Western bias, a concern that has been voiced by several scholars (Chin, Gu, & Tubbs, 2001). There is also a strong need for longitudinal research that compares and measures the impact of the transformational experiences at the center of these models. The influence of developmental readiness, emphasized by Mendenhall and associates (2017), is an invitation to explore motivational differences that may attach to development in a global, as opposed to primarily domestic/single-country, context. Moreover, organizational influences on development should receive greater attention. Firm-specific factors such as the alignment of strategy and HRM processes with the firm's efforts to develop global leadership require particular attention.

The question of what companies have learned from their efforts to develop global leaders is taken up in Chapter 8.

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The Emerging Field of Global Talent Management and Its Implications for Global Leadership Development

IBRAIZ TARIQUE AND ELLEN WEISBORD

Every international organization, whether large or small, must effectively manage a global workforce to develop and achieve sustainable competitive advantage (Collings, 2014; Schwab, 2015; Tarique et al., 2016). Management of a global workforce includes cultural, geographic, mobile, and generational challenges beyond those of domestic firms (Schuler et al., 2011). In addition, issues such as a high level of talent scarcity and disruptions in leadership continuity and strategic planning are exacerbated in global firms such as multinational enterprises (MNEs) (ManpowerGroup, 2015; Talent Trends, 2016). As MNEs continue to pursue business opportunities in international markets and globalization increases, human resource management (HRM) academics and practitioners are calling for greater attention to the emerging field of Global Talent Management (GTM) (Ariss, 2014; Collings, 2014; Khilji et al., 2015; King, 2015; ManpowerGroup, 2015; Morris et al., 2016; Schwab, 2015).

The field of GTM has grown rapidly since the publication of "The War for Talent" by McKinsey (Michaels et al., 2001), which highlighted the role of talent in achieving organizational effectiveness. The McKinsey study made the phrase "attracting, retaining and developing talent" ubiquitous in the HRM community and greatly increased attention to GTM, as reflected by the rising number of academic publications devoted to it (Tarique & Schuler, 2010), including both journals, e.g., *Journal of World Business* (Ariss et al., 2014; Scullion et al., 2010), *Human Resource Management Review* (Dries, 2013a), *European Journal of International Management* (Collings et al., 2011) and books, e.g., Global Talent Management (Ariss, 2014), and Global Talent Management (Scullion & Collings, 2011). Similarly, the number of consulting firms and professional organizations specializing in GTM has grown and given rise to measurement tools such as the Global Talent Competitiveness Index (GTCI) (Lanvin & Evans, 2015), and the Global Talent Index Report (EIU, 2011).

The diversity of scholarly research topics associated with GTM has also grown during the last decade (McDonnell et al., 2017; Cascio & Boudreau, 2016; Iles et al., 2010). Several studies have examined issues related to TM in MNEs such as TM in MNE headquarters (Farndale et al., 2010), TM and expatriation (Cerdin & Brewster, 2014), TM and inpatriation (Moeller et al., 2016), TM and international boundary-spanners (Furusawa & Brewster, 2015), GTM and global mobility (Collings, 2014), and TM and Leadership (McDonnell et al., 2010). A few studies have proposed competency frameworks and models such as Macro GTM (Khilji et al., 2015), multilevel GTM (King, 2015), TM theory (Dries, 2013b), Strategic GTM (Schuler et al., 2011), TM strategies (Beamond et al., 2016), and GTM and convergence/divergence theory (Stahl et al., 2012). Others have focused on specific topics like comparative GTM (Cooke et al., 2014), careers and GTM (Claussen et al., 2014), GTM and decision making (Vaiman et al., 2012), GTM in specific industries (Garavan, 2012), and GTM and neuroscience (Vorhauser-Smith, 2011). These are only a few selected topics out of a full array of topics, issues, and problems that GTM researchers have identified and studied during the last several years. For further discussion, see the literature reviews and conceptual studies that have been published over the past years focusing on both GTM and TM in an attempt to synthesize research findings and suggest future areas for research and reflection (McDonnell et al., 2017; Collings & Mellahi, 2009; Dries, 2013a; Gallardo-Gallardo et al., 2015; Gallardo-Gallardo & Thunnissen, 2016; Meyers & van Woerkom, 2014; Nijs et al., 2014; Sparrow & Makram, 2015;

Tarique & Schuler, 2010).

In this chapter, we provide an overview of selected themes in the field of GTM that are shaping the way MNEs attract, retain, and develop talent, especially global leadership talent. The chapter is organized in three sections. The first concerns the conceptualization of GTM in terms of differing perspectives on its definition and boundaries. The second introduces four GTM themes that dominate current GTM literature, namely shortage of talent, GTM systems in MNEs, talent identification in MNEs, and theoretical frameworks of GTM. The third and final section of the chapter provides a forward-looking discussion of questions to be addressed in order to maximize the usefulness of GTM.

Conceptualization of Global Talent Management

Prior to conceptualizing GTM, it is necessary to define IHRM and to distinguish between the two fields (Schuler & Tarique, 2007). As noted by Schuler and Tarique (2007), "the field of IHRM is about understanding, researching, applying, and revising all human resource activities in their internal and external contexts as they impact the processes of managing human resources in organizations throughout the global environment to enhance the experience of multiple stakeholders. The purpose of IHRM is to enable the firm, specifically the multinational enterprise (MNE), to be successful globally" (p. 718). IHRM focuses on specific HRM activities of workforce planning, recruiting, selection, training, development, performance appraisal, and compensation in MNEs.

GTM is a subset of IHRM. IHRM is the larger body of research and is different from GTM in three important ways (Tarique & Schuler, 2010):

1. IHRM includes more stakeholder groups (i.e., customers, investors, suppliers, employees, society, and the organization itself).

2. IHRM addresses broader concerns and criteria (e.g., focuses on multiple employee groups).

3. IHRM includes more HR activities such as employee relations, compliance, and labor unions.

There is considerable debate around exactly what comprises the field of GTM, and scholars and practitioners have suggested several definitions for it. Though comprehensive coverage of this debate is beyond the scope of this chapter, a critical review of the domestic talent management (TM) and GTM literatures indicates that the field of GTM includes four different categories (Sparrow & Makram, 2015), each of which has its own set of considerations, interpretations, and frames of reference.

> *The Planning Approach*. GTM is concerned with workforce planning and projecting future human capital needs. An important goal of GTM is to determine the type of human capital or competencies needed in the future.

> *The Employee Approach*. GTM focuses on the management of employees who are considered "high-potentials," "star employees," "'A' Players," and "high performers," including identification, development, and retention of these employees.

> *The Jobs/Positions Approach*. GTM concentrates on jobs and positions that are critical to the organization's value creation and competitive advantage. These jobs/positions are referred to as strategic jobs, core jobs, pivotal jobs, and "A" positions.

> *The Systems/Practices Approach*. GTM is the process of creating and developing TM systems and individual policies and practices designed to manage talent.

In this chapter we use Tarique and Schuler's (2010) conceptualization of GTM, which utilizes both the *employee* and the *systems/practices approaches* to address the complexity of managing talent in a MNEs.

> Global talent management is about systematically utilizing IHRM activities (complementary HRM policies and practices) to attract, develop, and retain individuals with high levels of human capital (e.g., competency, personality, and motivation) consistent with the strategic directions of the multinational enterprise in a dynamic, highly competitive, and global environment.

> (p. 124)

There are two important assumptions embedded in the above definition of GTM (Tarique & Schuler, 2012).

First, GTM focuses on employees with high value (i.e., "high-potentials," "star employees," "A Players," and "high performers"). Included in this group of employees are senior-level expatriates and global executives with international responsibilities (Spreitzer et al., 1997). Hence, they should be managed differently from other, less valuable, employees. Second, management of high-value employees should focus on developing the correct policies, practices, and procedures that will most effectively manage them.

In this chapter we use the term "global leadership talent" to include senior-level expatriates and global executives, and use the term "talent development system" to describe the policies and practices used to develop global leadership talent. Next, we discuss selected GTM themes that are shaping the field's development and the role that GTM plays in MNEs.

Emergent Themes in Global Talent Management

Shortage of Talent

A "talent shortage" problem occurs when there is a shortage of individuals with the required competencies to perform necessary jobs (Tarique, 2014). Talent shortage is a feature of most regions and countries around the world (Manpower Group, 2015). Indeed, recent studies conducted by the World Economic Forum and the Manpower Group confirm the problem of a global shortage talent of talent (ManpowerGroup, 2015; WEF, 2016):

> The global human capital landscape is becoming ever more complex and evolving ever more rapidly. Approximately 25,000 new workers will enter the labor market in the developing world every day until 2020, and more than 200 million people globally continue to be out of a job; yet, simultaneously, there is an expected shortage of some 50 million high-skilled job applicants over the coming decade.
>
> (The Human Capital Report, 2016, p. 1)

> In Germany in 2030, there will be 50 people aged 65 and over for every 100 of working age. Today, that ratio is 34%. The United States will need to add 26 million workers to its talent pool by 2030 to sustain the average economic growth of the past two decades (1988–2008) unless a technological breakthrough replaces manpower, while Western Europe would need to add 46 million employees. While most developing nations will have growing populations, they may face increased difficulties in filling the jobs with the right skills. Continued economic growth paired with a limited employability of the workforce (only 10–20% are employable by international standards) is a recipe for large skills gaps.
>
> (World Economic Forum and The Boston Consulting Group, 2010, p. 7)

> We have seen the emergence of the Human Age, where talent is the new differentiator. Through all of this uncertainty, the one constant is that talent shortages continue unabated.
>
> (Manpower, 2015 Talent Shortage Survey, p. 2)

According to a 2015 Manpower Group study, 38 percent of employers surveyed expressed having difficulty finding suitable talent to fill positions. In 2012, the number was 34 percent. Moreover, this number is increasing. Japan, Peru, Hong Kong, Brazil, and Romania are the top five countries in terms of having difficulty filling jobs. According to the study, the top 10 hardest jobs/positions to fill include: Skilled Trade, Sales Representative, Engineer, Technician, Driver, Management/Executive, Accounting and Finance, Office Support, IT, and Production/Machine Operation.

Interestingly, talent shortages do not only occur during times of economic prosperity; they also occur during economic downturns (ManpowerGroup, 2008, 2009). Even under poor economic conditions, organizations worldwide have difficulty managing talent across a wide range of positions (McCauley & Wakefield, 2006).

Reasons for talent shortages (Bessen, 2014; Cappelli, 2011) fall into three categories (Tarique, 2014):

Competency Mismatch. There is a gap or a mismatch between skills employers need and the competencies job seekers and employees possess.

Accelerated Demand for Talent. The demand for talent grows faster than the available talent.

Rigorous Selection. Organizations become risk-averse and use stringent and rigorous selection procedures to screen out job candidates.

In the context of managing global leadership talent, the challenge for organizations is to design and develop

GTM systems that ensure a continuous supply of leadership talent for current and future roles and positions. This is discussed next.

GTM Systems

There is consensus among scholars and practitioners that a dedicated set of advanced and sophisticated policies and practices is needed to manage talent effectively across an organization such as an MNE (Sparrow & Makram, 2015). Building on previous HR systems research, Tarique and Schuler (2010) concluded that GTM systems, configurations or bundles of distinct but interconnected IHRM policies and practices, work together to improve competencies, skills, motivation, commitment and effort in highly valuable employees working either in the MNE headquarters or MNE foreign subsidiaries. GTM systems have been linked conceptually to MNE effectiveness (e.g., organizational performance) (Tarique & Schuler, 2010).

There is considerable variation in GTM systems from one MNE to another. The variation occurs because of external factors (i.e., outside the control of the MNE) such as a country's national culture and/or political system, and because of internal factors (i.e., within the control of the MNE) such as corporate strategy and organizational structure. Regardless of the variation, most GTM systems revolve around three core areas: attraction, development, and retention of talent (Tarique & Schuler, 2010). Each area is referred to as a GTM subsystem. Each GTM subsystem is described below:

Talent Acquisition Systems

This includes IHRM policies and practices that focus on recruiting and selecting leadership talent including expatriates, or senior-level managers and executives responsible for an organization's foreign operations. Examples of IHRM practices in this subsystem include developing employee value propositions, creating an employer brand or an employer's global HR reputation, and using executive search firms to source talent (Sparrow & Makram, 2015; Tarique & Schuler, 2010). Building a positive global HR reputation is of particular importance to MNEs. An MNE's image as an employer plays an important role in attracting and recruiting the best employees in the industry. Consequently, many MNEs strive hard to be known as a good place to work, to be the most admired company to work for, and to be an employer of choice. For example, every year Korn Ferry and *FORTUNE* magazine release their annual list of the "World's Most Admired Companies," and Universum Global identifies its choice of "World's Most Attractive Employers." These rankings have become benchmarks for organizations seeking to attract talent, and a comparative measure for competition among public organizations.

Talent Retention Systems

These include IHRM policies and practices that prevent costly turnover of expatriates and repatriates. Examples of IHRM policies and practices include positive career prospects at the end of the assignment, such as promotion upon repatriation; repatriation focused cross-cultural training to help employees and their families readjust to the home country; career-related coaching and mentoring throughout the assignment; financial and life style counseling before, during, and at the end of assignment; and learning of firm—specific and tacit knowledge while on the assignment (Brookfield, 2016; Deloitte, 2016; Lazarova & Caligiuri, 2001; Lazarova & Cerdin, 2007; Reiche, 2011, 2012). In addition, repatriates need to be satisfied with the repatriation process (Vidal et al., 2008), as insufficient or poorly implemented repatriation can result in turnover, threatening important goals of the organization (Reiche et al., 2011).

Talent Development Systems

Talent development systems include IHRM policies and practices that provide job- and career-related competencies to expatriates and global leaders (Caligiuri & Tarique, 2009). There are many types of IHRM

policies and practices with varying characteristics (e.g., costs and learning goals) and degrees of effectiveness that can make up a talent development system. Caliguiri and Tarique (2009) used social learning theory (Bandura, 1977) and the contact hypothesis (Amir, 1969) to identify and categorize 12 IHRM practices by the extent of interpersonal interactions among learners and between a learner and the instructor. Theoretically, this continuum ranges from low-contact development experiences to high-contact development experiences.

High-contact development experiences include the following practices:

Structured (rotational) leadership development program;

Short-term expatriate assignment(s);

Long-term (one or more years) expatriate assignment(s);

Global meetings in various international locations;

Membership on a global team; and,

Mentoring by a person or people from another culture.

Low-contact development experiences include the following practices:

Formal university coursework;

Cross-cultural training;

Psychological assessments;

Assessment centers for leadership development;

Diversity training; and,

Language training.

From early research (Birdi et al., 1997; Maurer & Tarulli, 1994; Noe & Wilk, 1993) to more recent research (Bird & Mendenhall, 2016; Clarke & Higgs, 2016; Edwards & Turnbull, 2013; Kunze et al., 2016; Mendenhall, 2006; Mendenhall et al., 2013), scholars have shown considerable interest in examining the issues of how and why talent development systems impact individual learning and job performance. Based on what is known from the domestic employee learning and development literature (e.g., Bradford et al., 2017; Kirkpatrick, 2010; Kraiger et al., 1993), there is strong evidence to support the argument that outcomes of talent development systems are multidimensional, unique, and dynamic in each context and situation. One framework that can be applied to talent development systems or any other learning and developmental experiences is Kirkpatrick's four levels of evaluation (Kirkpatrick, 1996, 1967).

Kirkpatrick's framework organizes and evaluates outcomes from learning activities, such as training and developmental experiences, according to four criteria and levels: Level 1 is *reaction*, level 2 is *learning*, level 3 is *behavior*, and level 4 is *results*. Outcomes at level 1 include participants' perceptions of training or developmental activity (e.g., satisfaction with a particular program). Level 2 outcomes include measures of participants' advancement in skills, knowledge, and abilities during or after the developmental activity (e.g., culture specific knowledge). Level 3 outcomes are changes in on-the-job behavior (e.g., expatriate performance) resulting from the developmental activity. Level 4 includes organizational level outcomes such as revenue, profit, cost, and return on investments.

It is important to emphasize that there are a number of other frameworks and typologies that can be used to examine employee developmental outcomes. Example includes Kraiger, Ford, and Salas' (1993) classification scheme, which can organize developmental outcomes into three categories: Cognitive, Skill-Based, and

Affective. We believe that Kirkpatrick's framework, particularly levels 2 and 3, are widely used and most relevant to understanding a range of outcomes from talent development systems for expatriates and global leaders.

Outcomes of Talent Development Systems: Dynamic Cross-Cultural Competencies (C/C)

There are many levels 2 and 3 outcomes that are assessed. The IHRM literature refers to these outcomes as dynamic cross-cultural competencies (C/C), defined as a set of C/Cs consisting of knowledge, skills, attitudes, abilities, and behaviors that are malleable over time, and can be developed through experience (Johnson et al., 2006; Leiba-O'Sullivan, 1999; Shaffer et al., 2006). Eight that are prominent in the expatriate and global leadership literatures include *culture-general competencies, culture-specific competencies, cultural flexibility, tolerance for ambiguity, ethnocentrism, strategic thinking, cultural agility,* and *cultural intelligence.*

Culture-General Knowledge: This refers to cultural differences among national cultures or countries and discusses and describes how these differences impact individual behaviors and affect receptiveness to effective cross-cultural interactions. A good example is Hofstede's cultural dimensions (differences among cultures), which include individualism vs. collectivism, power distance, masculinity vs. femininity, uncertainty avoidance, and long-term vs. short-term orientation (Hofstede et al., 2010).

Culture-Specific Knowledge: This includes knowledge about a specific country or culture, such as language, customs, diversity, history, geography, appropriate cultural behaviors; suitable ways of interacting with local people; and realistic expectations about living and working in a new country.

Cultural flexibility: This refers to a person's ability to substitute activities enjoyed in one's home country with different activities common in the host country (Black, 1990; Shaffer et al., 2006). A core assumption is that individuals with a high level of cultural flexibility are better able than others to avoid or manage feelings of loneliness, uncertainty, isolation, disorientation, and frustration that are often the result of moving to a an unfamiliar cultural environment (Church, 1982; Chwo-Ming Yu et al., 2005). For more information on this competency, see Shaffer et al. (2006).

Tolerance for ambiguity: This refers to the extent to which an individual is comfortable in uncertain, unpredictable, and ambiguous situations (Shaffer et al., 2006). It is a gauge of how well an individual perceives and processes information when confronted by an array of unfamiliar, complex, or incongruent clues (Furnham & Ribchester, 1995; Herman et al., 2010; Shaffer et al., 2006). Individuals with a high level of tolerance for ambiguity are able to effectively manage new and unpredictable situations. For instance, they can manage the stress related to uncertainty and are therefore more likely to successfully adapt to change (Judge et al., 1999; Marquardt & Engel, 1993). For more information, see Herman et al., (2010).

Ethnocentrism: This is the tendency to view other cultures through the values, viewpoints, and beliefs of one's own culture, and other and different cultural behaviors as incorrect (Black, 1990; Shaffer et al., 2006). Highly ethnocentric attitudes or behavior hinder effective cross-cultural interpersonal interactions, become an obstacle to cross-cultural adjustment, and lead to cultural misunderstandings and miscommunications (Shaffer et al., 2006; Church, 1982). For more information on ethnocentrism see Shaffer et al (2006).

Strategic Thinking Competency: This is the combination of knowledge, skills, and abilities needed to develop strategic goals and strategies, to identify or detect competitive opportunities (e.g., in the industry, or labor and product markets), and to develop a vision and the strategies to pursue it (Dragoni et al., 2014; Dragoni et al., 2011). Strategic leaders take a systematic and long-term approach to problem-solving and decision-making, and consider the impact of their decisions on multiple stakeholders (Kabacoff, 2014). For more information on strategic thinking, see Dragoni et al. (2014).

The next two competencies are considered *mega competencies*. They refer to a unique combination of competencies that are context specific. As described by Caligiuri and Tarique (2016), there are situations that

require global leaders to use an appropriate or particular "mix" of cross-cultural competencies, such as when simultaneously managing talent in multiple MNE subsidiaries in different countries. Caligiuri and Tarique (2016) note that, "the synergy created by using multiple competencies at the same time increases effectiveness far beyond what can be expected from an individual competency" (p. 2).

Cultural Agility: This refers to a person's ability to quickly, comfortably, and successfully work in international and cross-cultural settings (Caligiuri, 2012). Cultural agility is situation specific and is comprised of three orientations: *cultural adaptation*, *cultural minimization,* and *cultural integration* (Caligiuri, 2012; Caligiuri & Tarique, 2016). Each situation requires its own mix of the three orientations. A cultural adaptation orientation is the ability to adapt cultural differences and adjust to the expected norms and behaviors in a new country or culture. A cultural minimization orientation is the ability to override a cultural norm and control cultural differences in order to create consistency across countries and cultures. Finally, a cultural integration orientation is the ability to collaborate across multiple cultures to create new and unique approaches, solutions, and practices (Caligiuri & Tarique, 2016). For more information on cultural agility, see Caligiuri (2012).

Cultural Intelligence (CQ): "CQ" is the ability to acquire behaviors that are culturally appropriate in cross-cultural or multicultural settings (Ang & Dyne, 2009; Ang et al., 2006; Ang et al., 2007). CQ is a multidimensional construct consisting of four components: *meta-cognitive CQ, cognitive CQ, motivational CQ*, and *behavioral CQ.* Cognitive CQ is general knowledge about national cultures, and an understanding of how national cultures shape individual behaviors and interpersonal interactions in international settings. Motivational CQ is the magnitude of energy applied toward learning in cross-cultural settings, and the interest and drive to adapt to foreign environments. Meta-cognitive CQ refers to consciousness and awareness about the processes needed to acquire, understand, and draw upon knowledge to solve problems in cross-cultural cultural settings. The behavioral component of CQ is an individual's ability to produce and exhibit appropriate behaviors when interacting with people from different cultures. For more information on CQ, see Ang and Dyne (2009)

Customized Talent Development Systems

Despite abundant research on both expatriate management and global leadership, there has been surprisingly little work directly assessing the relative effectiveness of talent development systems. In particular, there is lack of research that examines how and why talent development systems are related to dynamic C/C. The limited number of extant studies assert that global leaders do not benefit equally from developmental activities or experiences (Caligiuri & Tarique, 2009; Dragoni et al., 2014; Spreitzer et al., 1997). According to these studies, it is critical to understand the characteristics and the learning needs of leaders who may benefit most from specific developmental experiences. Organizations should offer developmental experiences to leaders who have the requisite individual characteristics and are predisposed to success (Caligiuri et al., 2009). Tarique (2014) argues that learning activities such as developmental experiences have to be customized to the unique characteristics of learners.

There are many individual characteristics that could facilitate or inhibit learning from developmental experiences. At this time, most prior global leadership research has focused on individual characteristics such as a leader's personality and learning goal orientation (e.g., Caligiuri & Tarique, 2009; Dragoni, Tesluk, Russell, & Oh, 2009). The theoretical blueprint for this approach is found in the "aptitude treatment interaction" perspective (Snow, 1991), which suggests an interaction between individual attributes and instructional methods. Individuals will respond differently to methods, treatments, and interventions based on attributes such as personality (Snow, 1991).

The literature on expatriates and the big five personality traits (De Hoogh et al., 2005; Major et al., 2006; McCrae & Costa, 1987) has provided some evidence that suggests two personality traits, openness to experience and extroversion, are related to learning (Caligiuri & Tarique, 2009; Tarique & Weisbord, 2013). The personality trait of openness to experience is the extent to which a person is curious, imaginative, artistic, intellectual, and untraditional (Costa & McCrae, 1992). Individuals high on openness to experience are more likely to be

interested in foreign cultures, curious about new cultural environments, nonjudgmental when working with other people, and able to establish interpersonal relationships with people from different cultures (Caligiuri, 2000). Therefore, the personality trait of openness to experience would be expected to facilitate learning from international developmental experiences (Caligiuri, 2000). Similarly, the personality trait of extroversion, which is the extent to which an individual seeks social interaction, should also be important, in that extraverts are likely to make interpersonal connections and establish relationships with host nationals (Caligiuri, 2000). In addition, it is thought that extroverts are more likely to learn from international developmental experiences (Caligiuri & Tarique, 2009). Together, these two personality traits suggest that individuals can react differently to the same developmental experiences and that talent development systems must differentiate between individuals and customize developmental experiences or other learning activities to match an individual's personality traits (Tarique, 2014).

There is also empirical evidence that suggests customized development among global leaders can enhance learning and job performance. Caligiuri and Tarique (2009) found, for example, that high-contact cross-cultural leadership development experiences and leaders' personality characteristics predicted effectiveness in global leadership activities. Drawing data from over 200 global leaders, Caligiuri and Tarique (2009) showed that extroversion moderates the relationship between high-contact cross-cultural leadership development experiences and effectiveness on global leadership activities. In their research, the most effective leaders were extroverts with extensive participation in high-contact cross-cultural leadership development experiences.

Other research, too, may inform the Talent Development Systems and Dynamic C/C relationships. Dragoni et al. (2014) examined the relationship between leaders' global work experiences and competency in strategic thinking, and whether cultural distance moderated this relationship. Based on data from over 200 upper-level leaders, Dragoni et al. (2014) found that global work experiences were positively related to high-level strategic thinking, particularly in leaders who live and work in a culture that is different from their own. In general, the Dragoni et al. (2014) finding is consistent with Caligiuri and Tarique's (2009) study, which showed that individual differences can enhance or inhibit the relationship between Talent Development Systems and Dynamic C/C.

Talent Identification

In recent years, decisions concerning which employees belong in the talent pool have received considerable attention (Björkman et al., 2013; Gelens et al., 2014; McDonnell et al., 2016). According to the talent identification literature, there are two approaches to talent identification (Collings, 2014; Huselid et al., 2005; Meyers et al., 2013; Stahl et al., 2012): the exclusive or segmentation approach and the inclusive approach.

The segmentation approach, derived from strategic HRM theory, emphasizes variability in employee ability, skills, and performance, and focuses on employees who add the greatest value to the organization (Collings & Mellahi, 2009; Huselid et al., 2005). Employees are sorted by criteria such as job performance, potential, and level of competencies (Huselid et al., 2005). Those ranked most highly are included in the organization's pivotal talent pool, from which employees for positions most critical to organization success should be drawn (Collings & Mellahi, 2009). In contrast, the inclusive approach to talent identification emphasizes the value of investing equally in all employees and aims to provide all employees with development opportunities. Theoretically then, the talent pool includes all employees in all positions and levels of the organization (Schuler et al., 2011).

There is considerable debate over the appropriate extent of inclusiveness in the inclusive approach (Swailes et al., 2014). According to Swailes et al. (2014), organizations can use a combination of the two approaches. Since segmentation and inclusion are by definition mutually exclusive, the debate over the extent of inclusiveness is critical to the usefulness of the inclusiveness approach. In either case, the talent pool will be considerably smaller and also higher performing using the exclusive approach.

Talent Segmentation and Global Leadership Talent

Within the talent segmentation approach, employees with expatriate experience are likely to be considered high-potential employees who benefit from global leadership development and an accelerated career path (Tarique & Schuler, 2010). Cerdin and Brewster, (2014) note

> A conception of talent management as broader than the segmentation approach locates it within a global HRM strategy and may well include expatriation within it. Here, expatriation is seen as an invaluable developmental experience offered to employees being assigned abroad, rather than restricted to just the declared "developmental" assignments, and is seen as an additional "weapon" in the "armory" of talent-management specialists.

> (p. 247)

Prior research has shown that expatriates play critical roles in knowledge transfer between and among the MNE headquarters and subsidiaries; in filling staffing shortages in vital roles; in maintaining communication, coordination, and control between subsidiaries and corporate headquarters; and in developing global leadership competence throughout the organization (Collings et al., 2009; Feitosa et al., 2014; Harzing et al., 2016). In the recent 2016 Brookfield Global Relocations Survey of global companies, 44 percent of companies surveyed use expatriates to fill competency gaps in managerial and technical skills. In essence, expatriates play a significant role in the success of the MNE. According to the survey, 16 percent of organizations emphasize greater alignment between TM and global mobility (Brookfield, 2016). With foreign assignments playing a large role in organizational success, managing expatriates is a talent management imperative. Ensuring that an expatriate has the right competences, is on the right assignment, is in the right country, and is there at the right time requires close relationships between the Global Mobility and GTM functions (Cerdin & Brewster, 2014; Collings, 2014; Schuler et al., 2011).

It follows that identifying talent for foreign assignments is of particular relevance to organizations with a large population of expatriates. Collings (2014) highlights the importance of a global talent pool strategy that addresses the challenges associated with designing TM systems with robust methods of identifying talent and talent potential. According to Collings, global talent pool strategy has embedded in it some important assumptions about talent acquisition. There must be:

A proactive search for talent;

An emphasis on filling key expatriate positions with high-potential incumbents;

A high number of expatriates in strategic or pivotal roles;

Expectations of high expatriate performance while on the assignment; and

Observable results in higher levels of organizational performance.

Early-Career Potential for Expatriate and Global Leadership Roles

Research suggests that organizations should develop approaches for identifying potential expatriate talent early in the expatriate selection process and developing that talent over time (Caligiuri & Bonache, 2016; Caligiuri et al., 2009). Existing scholarly and practitioner knowledge and experience provide some insights for identifying individual traits and characteristics that influence expatriate success. A plethora of criteria related to expatriate success have been examined. The predictors of expatriate success can be grouped into three categories (Caligiuri, Tarique, & Jacobs, 2009): personality characteristics, language skills, and international experience. In particular, researchers have devoted considerable attention to the role of international experience in facilitating cross-cultural adjustment and improving performance on foreign assignments (Moon et al., 2012; Suutari et al., 2013; Whitman & Isakovic, 2012).

For research purposes, international experience has been operationalized into *past experience*, *current experience*, and *future experience* (Takeuchi et al., 2005). Within each category, experience can be further classified as either *work related* (i.e., expatriate assignments) or *nonwork* (e.g., international travel) (Tarique & Takeuchi, 2007). Consistent with the domestic work experience literature (Tesluk & Jacobs, 1998), international

experience can be further organized according to its measurement mode: *number of international experiences* (i.e., the number of times an individual travels overseas), *depth of international experiences* (i.e., length of time spent traveling/working in each country), and *variety of international experiences* (i.e., the number of different countries visited). Studies of international experience have shown all three modes to be significantly related to the development of dynamic C/C (Engle & Crowne, 2014; Tarique & Takeuchi, 2007; Tarique & Weisbord, 2013). For instance, Engle and Crowne (2014) found that short-term international travel experience is positively related to the four factors of CQ. Similarly, Tarique and Takeuchi (2007) found that number of international travel experiences was positively related to all four facets of CQ. Interestingly, study results further showed that positive effects on meta-cognitive and motivation facets of CQ in individuals with shorter length of international travel experiences were increased as the number of international travel experiences increased. In other words, multiple experiences increase the benefits of short experiences.

Encounters with foreign culture, language, and socio-political context promote the ability to perform well in cross-cultural situations. Thus, an important international experience for expatriate and global leadership development is that of spending a part of one's childhood living outside one's own country of birth. (Lam & Selmer, 2004; Selmer & Lam, 2004; Tarique & Weisbord, 2013). Early international experience is the subject of the third culture kid (TCK) and adult third culture kid (ATCK) literatures. TCKs are children who have spent a part of their childhood in countries or cultures other than their country of birth (Pollock & Van Reken, 2001). About TCKs, Pollock & Van Reken (2001) note

> TCKs are raised in a neither/nor world. It is neither fully the world of their parents' culture (or cultures) nor fully the world of the other culture (or cultures) in which they were raised. This neither/nor world is not merely an amalgamation of the various cultures they have known. For reasons we will explore, in the process of first living in one dominant culture and then moving to another (and maybe even two or three more and often back and forth between them all), TCKs develop their own life patterns different from those who are basically born and live in one place.

> (p. 6)

ATCKs are adults who were TCKs. ATCKs are often described as having unique characteristics that make them attractive for expatriate positions, such as a positive attitude toward cultures that are different from their own, respect for people who are different from themselves, tolerance of cultural differences, fluency in multiple languages, and enjoyment of travel in foreign places (Bonebright, 2010; Mortimer, 2011; Tarique & Weisbord, 2013). These characteristics and others allow ATCKs to acquire competencies so important for successful interaction with people from diverse cultures or countries and management in different environments, such as dynamic C/C (Bonebright, 2010; Stokke, 2013; Tarique & Weisbord, 2013). Tarique and Weisbord (2013) have examined how specific types of early international experience and certain personality traits in particular impact dynamic C/C among ATCKs. They found that:

Variety of international experiences (i.e., number of different countries lived or resided in before the age of 18) positively predicted cultural flexibility and tolerance for ambiguity.

Language diversity (i.e., number of foreign languages the participant spoke fluently as a child) predicted cultural flexibility and tolerance for ambiguity.

Family diversity (i.e., the number of different ethnicities in family background) was positively related to cultural flexibility and negatively related to ethnocentrism.

The personality trait of openness to experience predicted cultural flexibility.

The study concluded that adults with early international experience are likely to have or can develop C/C and should be selected for global leadership development programs aimed at expatriate assignments. These conclusions support the GTM research, suggesting that to increase learning from international developmental programs, a talent development system should identify and develop individuals with the requisite individual characteristics (Caligiuri et al., 2009). Additionally, study results suggest that successful global leadership programs for ATCKs should capitalize on their existing CC and tailor global leadership development programs and cross-cultural training accordingly, by placing greater emphasis on technical competencies and less on cross-cultural competencies.

Theoretical Perspectives in GTM

Similar to other new and developing scholarly fields, the field of GTM has been criticized for lacking a robust theoretical foundation and large body of empirical support (Sparrow et al., 2014). Such is true of all fields in their infancy, of course. Still, there has been sufficient scholarly inquiry to identify and produce frameworks that both contribute to and facilitate the development of the field. Some of the GTM literature draws from established theories, such as human capital theory (Becker, 1962), resource-based theory (Barney et al., 2011), institutional theory (DiMaggio & Powell, 1983), and human resources systems perspective (Schuler & Jackson, 1987). Newer, evolving frameworks developed specifically from inquiry into GTM include workforce differentiation (Huselid et al., 2005), MNE GTM framework (Tarique & Schuler, 2010), Macro GTM framework (Khilji et al., 2015), and the 9-Box Assessment Grid (Day, 2007; Sparrow et al., 2014).

Human Capital Theory

Human capital theory postulates that individuals, with their competencies, experiences, and education, constitute a valuable resource in which firms can invest to increase organizational effectiveness, efficiency, and productivity (Becker, 1962; Crook et al., 2011). It follows from that assumption that organizations need to be as concerned with investment in people (through training, development, and promotions) as with other, more easily measured resources, such as technology, buildings, and machinery. Firms can invest in *specific human capital*, i.e., individual knowledge and competencies specific to one organization, or *general human capital*, i.e., individual knowledge and competencies applicable to many organizations (Becker, 1962). Human capital theory has been extensively applied in the fields of HRM, learning and development, and IHRM (Feitosa et al., 2014; Hsiao et al., 2016). In the context of managing global leadership talent, the investment perspective is useful for evaluating resource allocation and investment in the development of global leadership (Tarique & Schuler, 2010), as well as in guiding research in this area.

Resource-Based View

According to the resource-based theory, an organization can achieve and sustain competitive advantage with resources that are difficult to imitate, rare, and not subject to substitution (Barney et al., 2011; Barney et al., 2001). Tangible and intangible resources available to organizations include physical, organizational, financial, and human resources. When combined, resources create firm competencies that can be the source of competitive advantage. Resource-based theory suggests how and why organizations can customize talent management systems by bundling HR practices to attain and sustain competitive advantage (Tarique & Schuler, 2010).

Institutional Theory

According to institutional theory, organizations are under social influence and pressure to adopt policies, practices, and processes that are seen as appropriate and consistent with their institutional environment (DiMaggio & Powell, 1983). In order to earn organizational legitimacy, organizations need to display institutional isomorphism, i.e., they must conform to the rules, regulations, and value systems prevailing in the environment (DiMaggio & Powell, 1983). There are three forms of isomorphism that can affect the structure and design of organizations. These include *coercive isomorphism*, such as government-imposed patterns, restrictions, or boundaries; *mimetic isomorphism*, which includes patterns and behaviors copied from successful organizations; and *normative isomorphism*, in which successful organizations model "appropriate" organizational patterns that are adopted by other organizations in a particular environment. Institutional theory can be used to examine the adaptation and diffusion of global leadership management practices across nations, such as global leadership management practices in foreign multinational subsidiaries (Bjorkman, 2006; Björkman et al., 2007).

Human Resource Management Systems Perspective

The concept of Human Resource Management Systems (HRMS) applies the systems perspective to managing HRM activities, such that the unit of analysis is the entire HRMS rather than individual HR practices (Delery, 1998; Monks & McMackin, 2001; Schuler & Jackson, 1987). Underlying this relationship are two important assumptions (Delery, 1998; Jiang et al., 2012). First, various HR practices synergistically complement one another to form unique configurations or bundles that can result in increased performance. Second, for an HRMS to improve employee performance it needs to be vertically aligned and horizontally aligned. An effective HRMS is vertically aligned when it fits with organizational components of a business strategy, organizational structure, and organizational culture. It is horizontally aligned when various HR policies and practices synergistically support each other to enhance organizational effectiveness (Becker & Huselid, 1998; Jackson et al., 2014). The HRMS framework can provide a useful way to conceptualize GTM systems that will most effectively impact an organization's ability to attract, retain, and develop global leadership talent appropriate to the organization.

Workforce Differentiation/Segmentation

The framework of workforce differentiation or segmentation postulates that organizations should treat their most talented and valuable employees differently from other employees (Becker et al., 2005, 2009; Sparrow & Makram, 2015; Sparrow et al., 2014). More specifically, while all employees and positions are necessary to organizational operations, only a few are considered critical and contribute more to organizational success than others (Tarique & Schuler, 2010). The workforce differentiation/segmentation framework categorizes employees as "A" players, "B" players, or "C" players, and categorizes positions as "A" positions, "B" positions, and "C" positions (Becker et al., 2009; Huselid et al., 2005). The prescription is to place the most talented employees, the, "A" players, in the most critical jobs or positions, the "A" positions. Developing "A" players in "A" positions should be a priority (Huselid et al., 2005). The workforce differentiation/segmentation framework is of particular importance to MNEs in which global leadership and critical positions or jobs are spread across multiple distant locations.

Nine-Box Model of Performance-Potential

This model classifies employees into nine types along two dimensions (Day, 2007; Sparrow et al., 2014). As shown in Figure 7.1, the first dimension, on the "Y" axis, rates an employee's leadership performance (i.e., current job performance), and the second dimension, on the "X" axis, assesses an employee's leadership potential (i.e., growth and development potential). A combination of the two dimensions produces a nine-box matrix. Employees falling into the upper right quadrant have outstanding performance and high potential (boxes B, C, E, and F). These employees are developed for future critical roles. In contrast, employees in the bottom left (box G) are underperformers and pose a high turnover risk. This model is widely used by organizations for a variety of purposes, such as identifying high-potential employees, assessing developmental needs for both high- and low-performing employees, comparing employees to determine whom to develop for leadership positions, and building succession plans for employees in the upper-right quadrant (boxes B, C, E, and F). Unfortunately, the minimal scholarly research on this model provides little guidance on its underlying principles. However, its potential usefulness suggests that there would be benefit from further development of the matrix.
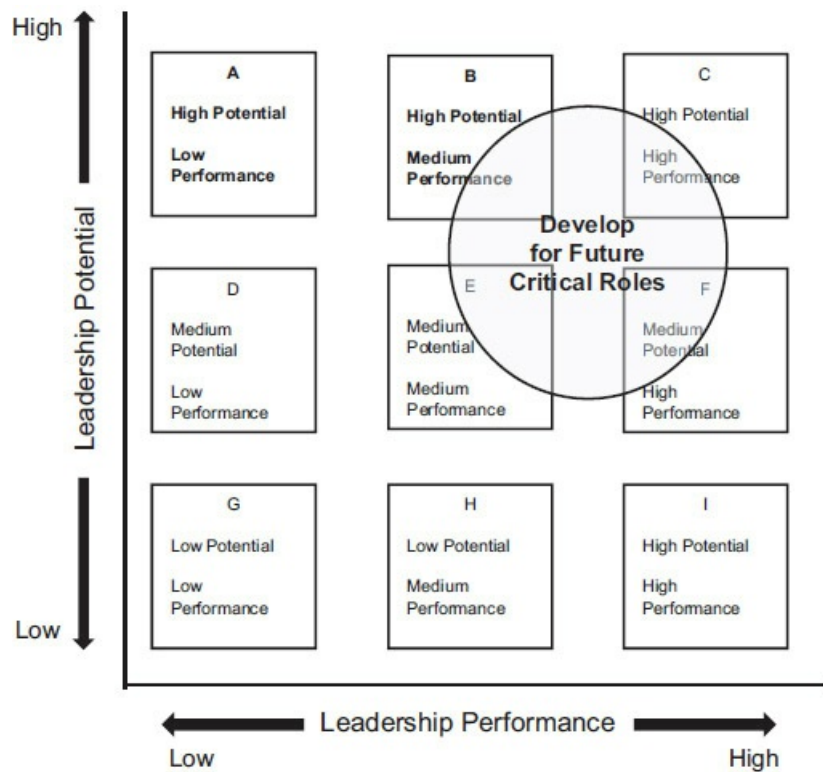
Figure 7.1 Nine-Box Model of Performance-Potential

Source: Adapted from Day, (2007) and Sparrow et al., (2014)

Innate/Acquired and Exclusive/Inclusive Talent Philosophies Matrix

In a recent study, Meyers and Van Woerkom (2014) argued that talent philosophies (i.e., the overall approach an organization uses to manage talent) are fundamental to creating effective TM practices. Drawing on previous research (Becker et al., 2009; Dries, 2013b; Meyers et al., 2013), Meyers and Van Woerkom (2014) organized talent philosophes along two continuums. The first continuum categorizes TM practices as either exclusive or inclusive. The second continuum categorizes talent as an innate or acquired construct. The resultant 2 X 2 matrix includes four talent philosophies (Meyers & van Woerkom, 2014): exclusive/stable, exclusive/developable, inclusive/stable, and inclusive/developable. Each category represents a distinct approach to designing TM practices and will produce discrete outcomes (e.g., employee well-being and performance). This matrix can be used to evaluate and examine how talent development systems will differ for different talent philosophies.

GTM in Multinational Enterprises

Building on institutional theory and IHRM theory, Tarique and Schuler (2010) proposed an integrative framework for understanding and advancing GTM in MNEs (see Figure 7.2). Their framework outlines the relationship between a MNE's environmental/organizational context, a MNE's GTM System, and organizational outcomes of the GTM system. Consistent with the HRM systems perspective, Tarique and Schuler define a GTM system as a range of possible configurations or bundles of IHRM activities that include three key activities of attracting, developing, and retaining talent. This framework emphasizes how a GTM system can be shaped by two sets of contextual antecedents: 1) Exogenous (e.g., migration of talent, changing global workforce demographics) and 2) Endogenous (e.g., retention of talent during mergers, needed cross-cultural competencies by key talent). Tarique and Schuler (2010) argue that outcomes of GTM systems contribute to organizational effectiveness by enhancing employees' collective human capital and performance.

GTM researchers can use this framework to identify and examine critical environmental contingencies. In addition, the authors propose that linkages between MNEs external/internal environments and talent development systems provide a useful starting point for theory building (Tarique and Schuler, 2010).

Macro GTM

Recently Khilji, Tarique, and Schuler (2015) proposed a conceptual framework (see Figure 7.3) for describing macro GTM, which they define as "Activities that are systematically developed by governmental and nongovernmental organizations expressly for the purpose of enhancing the quality and quantity of talent within and across countries and regions to facilitate innovation and competitiveness of their citizens and corporations" (p. 237).
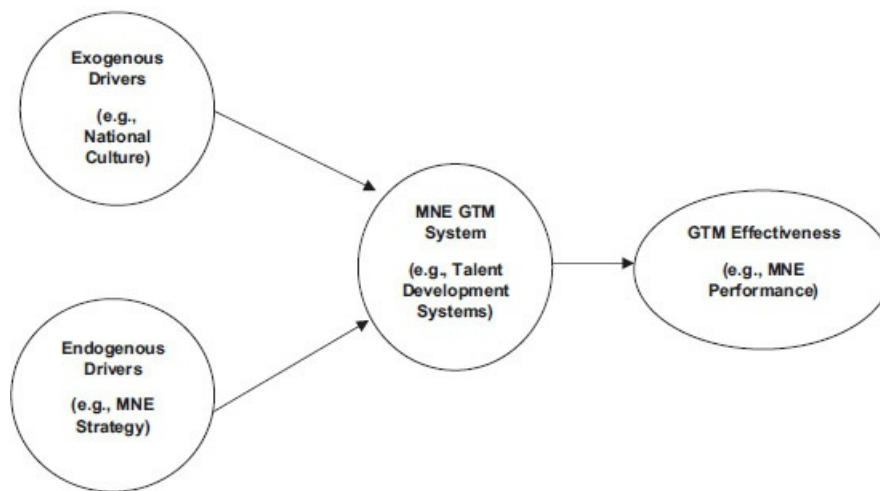
Adapted From Tarique & Schuler (2010)

Figure 7.2 Integrative Framework of GTM in Multinational Enterprises
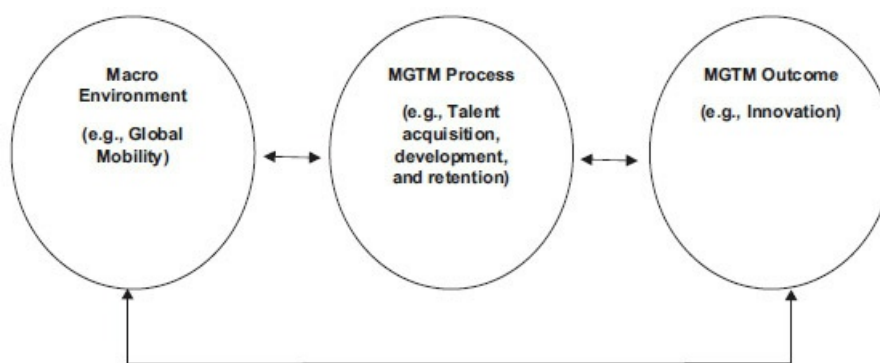
Adapted From Khilji, Tarique & Schuler (2015)

Figure 7.3 Macros GTM Framework

Their framework operates at the country level and focuses on the macro context in which GTM occurs. The framework emphasizes the presence of multilevel and changing contexts; multidirectional causalities among the macro environment, MGTM processes, and outcomes; and the feedback loops between MGTM outcomes and the macro environment. For more information, see Khilji, Tarique, and Schuler (2015). It remains open for

future research to extend this framework by considering and identifying challenges unique to global leadership development that occur at a national or regional levels, such as demographics, economic, government, and cultural.

Future Research

As mentioned earlier, GTM research is still in the early stages of development, and there are several areas and topics that researchers can more fully examine and develop at the intersection between GTM and global leadership. It still appears that little work has been done at the intersection between the two fields. We recommend three areas for further research that would enable us to understand the relationship between GTM and global leadership.

First, researchers could explore the complexities surrounding the formation of talent development systems, with an emphasis on the fit between individual traits and types of talent development systems. Which individual traits, which systems, and which combination of traits and systems will produce the greatest learning and behavioral changes? A useful theoretical framework to begin this research is Snow's (1991) "aptitude treatment interaction," which offers insight into the optimal fit between individual characteristics and talent development systems.

A second direction for future research is the examination of talent development systems from a multilevel perspective (Klein et al., 1999; Peterson et al., 2012; Renkema et al., 2016). For example, antecedents of talent development systems can occur at different levels of analysis, such as *country level* (e.g., national culture), *industry le*vel (e.g., automotive industry), *organizational level* (e.g., MNE corporate strategy), and *individual level* (e.g., personality). Country-level antecedents may combine with industry and organizational level antecedents to explain variation in talent development systems used by MNEs across geographic regions. A multilevel perspective to talent development systems should lead to greater insights into the complex process of linking the various antecedents to talent development systems. The GTM frameworks proposed by Khilji, Tarique, and Schuler (2015) and Tarique and Schuler can provide guidance in exploring these complex multilevel relationships. Other useful multilevel research includes Klein et al. (1999), Peterson et al. (2012), and Renkema et al. (2016).

Finally, as suggested by Tarique and Schuler (2010), GTM is a bridge field with a large gap between academics and practitioners. Collaboration between GTM scholars and industry experts would enhance the relevance, generalizability, validity, and applicability of GTM research. Leadership development research drawn from the shared knowledge and expertise of academics and non-academics would facilitate the work of both. One area of collaboration is *global talent analytics*, which refers to the application of data mining and analytics techniques to GTM. The goal of global talent analytics is to make predictions and management decisions with respect to attracting, developing, and retaining high-potential employees in the MNE. Management consulting firms such as Mckinsey and Company, Korn Ferry, PricewaterhouseCoopers Advisory Services LLC, and Accenture have rich and comprehensive data sets related to global leadership. Academics can provide analytical tools to extract insights from these data sets to provide actionable and data-driven answers to global leadership development problems. For more information see, Bassi & McMurrer, 2016; Davenport et al., 2010; Levenson, 2011.

In conclusion, the field of GTM is widely regarded as an important component of the broader field of IHRM. Scholarly GTM research has come a long way since Mckinsey's publication of "The War for Talent" (Michaels et al., 2001), especially in the area of global leadership development. Nonetheless, there are many opportunities for both theoretical and empirical work that may extend the narrow intersection between GTM and global leadership.

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Global Leadership Development

> The nature of competition and the forces of innovation shift the frontiers of science, business and technology at a rate we've never seen before, which is why expertise is not static. To be competitive, any individual—like any company, community or country—has to adapt continuously, learning new fields and new skills ... We need a workforce model that recognizes this shift. As always, the really hard part is culture and mindset.
>
> —Sam Palmisano, IBM chairman, president and chief executive officer (2007)

In 2008, IBM launched a company-wide initiative to completely change its cultural DNA. The goal? To become a truly "globally integrated enterprise." White and Rosamilia (2010) noted that IBM had "seen massive shifts in where revenue is generated, spurring the need to grow leaders with global mindsets wherever they are located" (p. 2). This realization led to a new cultural initiative where all IBMers had to play a part, and thus all needed to develop "a global mindset with common corporate values as the glue" (p. 2). As a result, an essential component of IBM's change strategy involves the mission-critical element of developing global leaders and increasing intercultural competence in all IBM employees (White and Rosamilia, 2010). We will return to IBM's strategy for accomplishing this lofty goal later in this chapter. IBM is not the first company to recognize that in order to compete in the age of globalization it needs executives, managers, and employees who possess global skills commensurate to the demands of their job descriptions.

Many firms today face the same issues, not because their current leadership has implemented a strategic plan, but simply because of the environmental changes that are in constant flux, making the world, as IBM's Palmisano stated in the opening quote, an almost impossible place to predict. New markets, changing governments, fluctuating economies, growing regulations, new competitors, more complex capital sourcing, changing population patterns, disrupted cargo routes, and many other things have created a landscape that is ever changing and increasingly complex to understand. No one person can manage it. No single country mindset can understand it.

The need for increased numbers of global leaders is an old refrain. In 1999 Black, Morrison and Gregersen studied Fortune 500 companies and concluded that 85 percent of the firms said they did not have adequate numbers of capable global leaders. Further, of those few "global leaders" they *did* have, only about 30 percent of them were rated as having the necessary competencies to really be effective. Very significantly, the human resource directors of these firms in the survey rated "having effective global leaders" as the number-one priority of their firms. Mendenhall, Jensen, Gregersen, and Black (2003) found similar conditions extant in large global firms across industries. In 2008 Development Dimensions International studied 35 industry sectors, with HR professionals and leaders from 76 countries, and found that although 75 percent of executives surveyed identified improving or leveraging global talent as a top business priority, only 50 percent of the organizations had a process to identify high-potential leaders and only 39 percent had a program to accelerate their development.

In 2013 Maznevski, Stahl & Mendenhall reviewed survey findings from both the World Economic Forum and McKinsey & Company and reported that the global leadership vacuum in global organizations is one of the ten most urgent issues to address in the world and is one of the biggest challenges for organizations in 2013 and beyond (p. 494). Folkman (2014) reported that "one-third of global organizations have identified 'global leadership' as a serious constraint ... consequently, 70% of larger organizations have plans to increase their overseas assignments. Yet, ironically, less than a third of these organizations have any formal leadership development process in place" (p. 1).

Bartram reported in his study that "roughly 60% of companies plan to increase significantly their global presence during the next three years" but that "as few as one in 15 professionals have the potential to be an effective leader today" in the global context (Bartram, 2013; 1). Gorman (2015), reporting on a study conducted

by the Institute for Corporate Productivity, reports that only 44 percent of firms sampled were engaged in global leadership development, and of that group, only 21 percent believe they are producing effective results with their global leadership development initiatives. Salicru and his associates reported the results of Development Dimensions International's (DDI) Global Leadership Forecast of 2014–2015 where 13,124 global leaders and 1,528 human resource executives were surveyed (Salicru, Wassenaar, Suerz, and Spittle (2016: p. 12):

> "Only one in five organizations emphasize GLD, and only one-third of their leaders reported being effective in leading across countries and cultures—the lowest single skill effectiveness rating in the survey."

> "Out of 900 multinational organizations surveyed, 52% were planning to expand their operations within the next few years, but only 16% reported having enough globally ready leaders to fill their critical roles."

In addition to prioritizing the development of individual global leaders, global firms also need to "globalize" the leadership skills in their top management teams as well. Evans, Pucik, Björkman, and Morris (2017: p. 233) note that "when it comes to the background of those at senior levels—and despite decades of attention to diversity in talent management—top leadership positions in most multinational companies still remain dominated by parent-country nationals." Many organizations clearly are lagging in the implementation of programs and policies to identify and develop their future global leaders. However, it is not just medium and large organizations with foreign markets that need global leaders at the helm. Even the smallest of businesses need to be aware of the global business arena.

Consider the following, for example. A restaurant that gets its shrimp from South America needs to understand the issues related to sourcing from foreign countries and have alternate plans in case protectionist tariffs close off its sources of shrimp or the changing global climate patterns alter the sea temperature in that part of the world and affect the availability of shrimp. In both cases, the cost of shrimp will rise significantly and/or the need to source it elsewhere will become paramount. The small business owner who recognizes these potential vulnerabilities due to globalization and changing weather patterns will be better prepared to adapt to new conditions than the one who is more locally focused. In the surfboard industry, Clark Foam, a very small firm, was the clear majority supplier of surfboard blanks to surfboard manufacturers worldwide since surfing with nonwooden boards began in the 1950s. In 2006, it closed its doors almost overnight due to a decision to not upgrade to current US environmental policies. Customers unaware of the changing political climate in the US and resulting environmental policies were left to find new sources with virtually no notice (Development Dimensions International, 2009). Prices of surfboards doubled, and virtually all the new foam suppliers came from foreign countries. Without an understanding of the sometimes precarious interdependencies that exist with global operations, even small firms or seemingly insignificant industries will not be able to operate most efficiently or profitably. Even small firms need leaders who are broad-minded, aware of global trends, and adaptable to a changing and unpredictable world.

In this chapter, we will focus on the development of global leaders in larger firms, however. Larger firms generally have greater opportunities to fill market needs across the world and source from multiple locations globally. Because their markets are international or global, they generally affect and are affected by both local and worldwide trends in politics and economics, and by socio-cultural, legal, and technological changes more than smaller firms. Our focus will include general leadership methods that apply to global leadership development (GLD), conceptual issues that underlie effective GLD, and three examples of firms that have very different GLD initiatives and how they each can positively affect GLD.

General Leadership Development Methods

Firms' general approach to developing global leaders has usually involved altering existing traditional leadership development approaches to try to incorporate a global perspective in their GLD program designs. The following appear to be the most common components of leadership development programs (Day & Halpin, 2001; Freifeld, 2014; Griffith, Sudduth, Flett, & Skiba, 2015): online learning, 360-degree feedback, executive coaching, job assignments, mentoring, networking, reflection, action learning, outdoor experiences, service learning, and traditional seminars and workshops.

For many firms, almost all of these approaches are still part of their strategy for developing leaders who operate in multiple markets and/or across country boundaries in one capacity or another. If modified appropriately, such methods can become an important part of GLD. However, adapting what used to be general leadership methods requires a change of mindset, though. For example, online learning programs, be they live Internet, self-paced, or blended in nature, require content that is designed in tandem with international experts with real-world business experience to be "sticky" enough to be internalized by trainees. Similarly, mentoring will be more effective if a less-experienced manager is being guided by someone with significant learning accrued from global business experience rather than by someone who has risen through the organization when global markets were not necessary for adequate profit. Likewise, executive coaching will be more effective if the coach has had international work experience and can relate to the issues the manager might be struggling with in the context of global business, and service learning opportunities work best when they occur overseas and when the projects are meaningful, use volunteers' skills productively, provide opportunities for developing new skills that can be applied in the future, and ensure that adequate resources are in place to ensure project success and volunteer support (Caligiuri, Mencin, & Jiang, 2013).

Thus, one of the primary challenges for firms is whether or not they will appropriately modify their general leadership development programs to address the peculiar requirements of GLD. We have so far addressed primarily the common practices that are used to develop the competencies needed by global leaders. Relative to the *process* of GLD and how those competencies are acquired, we will examine the following aspects of GLD in the sections that follow: 1) the learning contexts of GLD methods, 2) the conceptual process and outcomes of effective training, and 3) the different strategies that firms can use to help "globalize" their managers.

Learning Context of GLD Methods

Learning the kind of competencies needed for global leadership can be had through multiple forums, each with its advantages and disadvantages. Although classroom type training can efficiently disseminate information, some research shows that approximately only 20 percent of our learning comes through formal classroom training, 30 percent comes through information exchanges with others, and 50 percent is derived from personal work experience (Dodge, 1993). Similarly, the 70–20–10 learning model (Lindsey, Homes, & McCall, 1987) espouses that 70 percent of leadership learning is best acquired by "doing" (on-the-job experience that advances the organization's mission), 20 percent is best gained via "relationship-learning" through coaching and mentors, and 10 percent is derived from classroom/workshop settings (Hong, 2016; Griffith et al., 2015). Rabin (2014) conceptualizes the 70–20–10 framework in the following way: 10 percent constitutes *formal learning*; 20 percent involves *developmental relationships learning* (hereafter referred to as "developmental learning"), and 70 percent involves learning via *challenging assignments*, or what we will call "experiential learning."

Though few of us recall over the long term much of what we hear or see in a classroom—efficient delivery does not tend to equate to internalized learning (Dodge, 1993; Lindsey et al., 1987)—formal learning in classrooms does allow for the gathering of in-company personnel from around the world, and when used strategically can help company managers forge networks (which can then contribute to developmental learning, the 20 percent dimension in the 70–20–10 model). Recent research indicates that GLD programs that are well-designed and fit with the norms and values inherent in the corporate cultures in which they are initiated can foster the formation of cross-divisional networks through the "information exchange" associated with developmental learning and increases social capital and knowledge sharing among managers and executives across functions and units in large multinational firms (Bjarn, Gooderham, & Stensaker, 2013; Espedal, Gooderham, & Stensaker, 2013; Stensaker & Gooderham, 2015). Mentoring, coaching, and 360-degree feedback are modes by which cultural self-awareness can be effectively produced in trainees as well (Cumberland, Herd, Alagaraja, & Kerrick, 2016).

A plethora of research exists that indicates that "lived experiences that are novel, of high significance to the organization, and require people to manage change with diverse groups of people and across organizational boundaries are important sources of leadership development" (DeRue & Myers, 2014). Rigorous experiential learning involves giving managers exposure to actual business operations in geographically dispersed, functionally different operations of the firm where they must confront cultural differences—it's a case study in "living color." Such experiences test the mettle and capabilities of the manager in real-life business experiences. The lessons learned in rigorous experiential contexts are "sticky" in nature because rigorous experiential learning involves both intellectual and emotional memory, and thus lessons learned are learned for a lifetime (Caligiuri et al., 2013; Pless, Maak, & Stahl, 2011). For example, Dragoni and her colleagues (2014) found that in their study of 231 executives that "the time they spent in global work experiences [experiences that required the executive to transcend national boundaries] positively relates to their strategic thinking competency, particularly for leaders who have had exposure to a more culturally distant country" (p. 867).

In summary, formal learning, developmental learning, and varying levels of experiential learning (the more rigorous the level the better) are all important and complementary and have a part in the development of global leaders (Pless et al., 2011).

Conceptual Process and Outcomes of Effective GLD Programs

If the development of global leaders has as its objective to broaden leaders' minds and increase their capacity to understand and predict events and behaviors across borders, then the methodology of that training must embody a process that will accomplish that goal. Black & Gregersen's proposed model for GLD (2000) embodies the essential elements of this learning process: *Contrast, Confrontation and Replacement* (Black & Gregersen use the term *Remapping* instead of "replacement"). Mezirow first identified this process of transformation in the late 1970s (Mezirow, 1978: p. 1) exposure to a disorienting dilemma (*contrast*), 2) self-examination and exploration of options (*confrontation*), and 3) provisional trying of new roles—and building competence and self-competence in those roles—to arrive at a stage of reintegration based on one's new perspective (*replacement or remapping*). Taylor (1994) cited Mezirow (1978) on the nature of transformation:

> [It is] the process of becoming critically aware of how and why our assumptions have come to constrain the way we perceive, understand, and feel about our world; changing these structures of habitual expectation to make possible a more inclusive, discriminating, and integrative perspective; and, finally, making choices or otherwise acting upon these new understandings.
>
> (p. 167)

Wernsing & Clapp-Smith (2013: p. 541) describe the same process in this way:

> Because cultural beliefs and values are implicitly learned through socialization practices, developing cultural self-awareness is initiated through experiences with culturally distinct people or contexts. A change, or even an anticipated change, in the environment (e.g., moving into foreign culture, working with a new multi-cultural team) can create the contrast needed to make salient each person's expectations for social norms … global leaders intending to develop intercultural competencies must be willing to make an active investigation into how their own implicit beliefs and values are derived from their cultural upbringing. The environmental contrast offers an opportunity to begin an intentional investigation into the cognitive and behavioral factors involved in cross-cultural interpretations.

For us to learn, we must acquire new information and become able to see the same thing from a different perspective. As individuals with certain cultural maps about how the world works and how business operates, we need to experience contrasts to those views and confront our beliefs and assumptions. Without such contrasts that lead to confronting our traditional way of seeing or doing, there can be no change. Consider the following example of a German purchasing agent.

Case Scenario: Contrast, Confrontation, and Replacement

A purchasing agent in Germany sourcing supplies from a Malaysian company, for example, might not get the same service he would from a developed country where practices and assumptions are different. The possibility of supplies being disrupted in Malaysia is greater because the German now has to deal with local conditions that are different from the ones the German is used to. Inconsistencies in communication with a supplier in Malaysia might *contrast* with the German's normal experience because of local power outages and differences in notions of urgency with a foreign buyer. This forces the German to *confront* his mental map of how business is done in other parts of the world. To be effective in dealing with the agent's Malaysian counterpart, the agent must *replace* his previous notion (i.e., mental map) that business can be conducted with the same methods and communications, resulting in the same efficiency everywhere in the world—or at least in Germany. However, a changed mental map can occur at different levels—at a superficial level or a deep level. A superficial level change might be something along the lines of the agent's realization that Malaysia might have a less-reliable electricity infrastructure, negatively affecting the timeliness of communications. Such a remapping is superficial because it localizes the difference in operating methods to a particular person and to a physical infrastructure issue rather than a deeper underlying cultural issue common to many or most Malaysians that often is the more important variable affecting the efficiency of operations.

A deeper-level replacement of the purchasing agent's mental map would relate to an improved understanding of not only the physical infrastructure but of the cultural "infrastructure" as well. Perhaps the issue is not the infrastructure but the motivation of the vendor to fix it. Managers in developed countries place great value on urgency because of the value on customer service in the highly competitive world they operate in. This value reflects the importance of the customer—regardless of who it is. A deeper level understanding might involve knowing about the varying importance of relationships in Malaysia and how that variation influences responsiveness. Understanding that Malaysia is a high-context culture, where relationships are critical and in-groups and out-groups differentiate the level of responsiveness between two people would represent a much deeper-level of remapping. The German would normally be a member of the "out-group" and therefore be given less attention than members of the Malaysian's in-group. Knowing this would help the German predict and understand better local behavior.

One of the authors' brother-in-law and sister came to stay with him and his wife in France recently. The author and his wife had developed good friendships with many of the neighbors in the village and so invited them to dinner sometimes. Because the French don't usually invite others for dinner until 7:00 p.m., and it's often not until 7:30 p.m. or later that the meal actually begins—dinner often goes until 11:00 p.m. or later. Meals in France are a time to socialize and renew friendships. Eating can be secondary, although the food is always a topic of conversation. This meant that the author's relatives and accompanying teenagers did not get to bed until much later than usual. So the teenagers got up late as well—to the consternation of the brother-in-law. Why did we have to start so late? Why does it have to go so late? He would try to move things along faster and get us to start the dinner earlier. Despite my explanations for why the French eat later than Americans and why they eat this way, he could not internally accept it, and it became a source of frustration for him the entire time. He was, in essence, unwilling to confront his assumptions that eating was simply to replenish one's energy supply rather than develop deeper relationships and that eating dinner should occur earlier in the evening to allow an earlier bedtime to get up and start working. Without confronting his cultural assumptions about these things, there was no possibility of changing his perspective.

Whether the context is a social situation or a business operation, a deeper level of remapping represents a fundamental level of learning that can then be applied to multiple contexts. For example, the author's brother-in-law could expect sales calls in a French business environment to last much longer than he was used to in the US because they often are done over a meal. The purchasing agent doing business in Malaysia can expect a similar lengthy process to ensue in other high-context cultures that emphasize the hierarchy of relationships

and the need to ensure good relationships before making final decisions. In both these instances, more fundamental lessons at this level of learning include the consideration of a culture's values. In the purchasing agent's situation, for example, it is important when planning an operation that when there is a critical interdependency that involves foreign operations and great distances, it is important to allow for more time and for greater possibilities for things to go wrong (the "remapping"), that it is critical to develop a good relationship with the agent's counterpart in the foreign country (in this case, Malaysia) in order to be better informed and have better access to information that might be helpful.

This process of replacing simple maps (the ones we currently have) with more sophisticated ones requires a psychological process to occur. Kurt Lewin (1947) referred to this process of confronting our mental maps and replacing them with new ones as "unfreezing, changing and refreezing" within a context of dynamic stability. That dynamic stability applied to GLD, and the change process to become a global leader is at the heart of the "contrast, confrontation and replacement" process.

The German purchasing agent experienced a contrast to his usual way of doing business and had to confront the situation (unfreezing). In this case, he could either try to force an external change—the Malaysian salesman to change the situation in Malaysia (unlikely)—or change his own perspective (an internal change) on how to work with the Malaysian company more effectively ("changing" in Lewin's terminology and "replacement" or "remapping" in our previous discussion). When we experience a contrast in customs, beliefs, etc., that doesn't allow us to conduct business the way we are used to, we have forces that continue to push us toward doing business our old, normal way and we have forces that are pushing us to do business in a new way (i.e., resulting in a dynamic stability). The German continues to feel pressure from his own company to obtain the necessary supplies in a timely matter. That pressure doesn't disappear and motivates the German to continue to push for what he expects based on his "German" or "personal" map of how these things should happen. However, there are also pressures that are pushing the German to realize that he cannot always expect to realize the same time economies in Malaysia as he normally could in his own country. Those pressures, by contrast, will motivate the German to act in a way different from his customary behavior.

These competing pressures force a reconstruction of the previous "map." The conclusion or learning arises from creating a better understanding of all the variables at play and an effective way to work within that new context (changing). Finally, as our new way or new "map of the world" is reinforced through additional similar experiences across individuals, countries, and business operations, it becomes a new, usable "legend" that helps us more effectively manage our businesses and relationships (refreezing). And the process must continue so that our "legend" becomes increasingly refined and accurate because as noted in Chapter 1, the global context will continually change over time.

Enablers of Transformation

The kind of transformations we're speaking of do not occur automatically just because one experiences a contrasting experience that creates a confrontation. In other words, the German purchasing agent does not automatically move from one type of approach to time and relationships (the German's) to another (the Malaysian's). In fact, it's possible—or even likely—that the German will simply make a quick judgment about the Malaysian culture being inefficient. Such stereotypes are common and certainly do not allow for the development of a new understanding. There *is* a contrast, but in Lewin's terms, there is no "unfreezing" and therefore no "changing" that occurs.

For there to be a transformation, the individual needs to have certain competencies that enable this process. For example, if the German purchasing agent can *tolerate ambiguity* and *avoid being judgmental*, the agent is less likely to draw quick and most likely inappropriate, conclusions about the Malaysian vendor. This allows the agent time to inquire about the challenges the vendor might be facing or the specific cultural context in which the vendor lives. Such an inquiry demonstrates another enabling competency: *curiosity or openness.* To discover the relevant information to better understand the Malaysian's culture, the German might have to initiate conversations with the vendor, himself, or with people familiar with Malaysian culture. This, in turn, demonstrates another enabling competency: *interpersonal engagement.* If the agent takes a strong interest in the vendor himself, rather than in the issue as a general cultural concept, the German further demonstrates another competency that can lead to an effective transformation: *relationship development.* Wanting to develop and effectively manage their vendor-purchasing agent relationship is more likely to lead to a cooperative, long-term collaboration.

Thus, having these and other enabling competencies are necessary for appropriate transformations to occur in managers seeking to become effective global leaders. Because enabling competencies help ensure appropriate transformations, and transformations lead to better global managers and leaders, a complete GLD program needs to include a diagnosis of the leader's enabling competencies as well as experiences that can more easily lead to meaningful transformations. (For an in-depth discussion of the various enabling competencies, see Chapter 4.)

Kozai Learning and Transformation Model

The Kozai Group (2008) developed a useful model that indicates the process most individuals tend to follow through the learning process to develop greater global leadership competencies; it is illustrated in Figure 8.1.
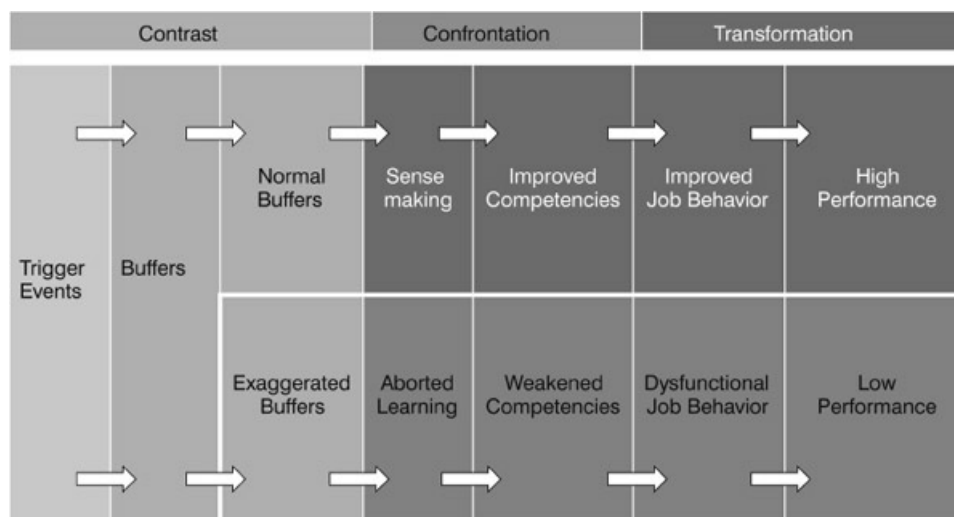
The first step in the transformation process is to experience events that act as trigger events; that is, ones that can cause us to step back, reflect, react to situations foreign to us, or otherwise trigger a process that leads to sense making and a greater understanding of the context and players that triggered the sense-making process. In their study of expatriates, Clapp-Smith and Wernsing (2014) found four types of triggers that led to transformation in global settings: 1) social immersion, 2) novel normality, 3) communicating in a new language, and 4) self-reflection. Social immersion involved daily interactions with local nationals ranging from the mundane to the adventurous that kept them consistently out of their natural, cultural "comfort zones." Novel normality involved "experiencing normality in another culture" which in turn "made salient participants' own assumptions about what is normal," resulting in contradictions of their implicit stereotypes (p. 669). Communicating in a new language, on a consistent basis, triggered a variety of insights about cognition, social values and norms, self-identity, depth of character, and more. Finally, they found that in their subjects the immersive international experience, itself, forced the expatriates to engage in self-reflection in order to make sense of the reality they found themselves in. "Self-reflection built participants' self-awareness and self-efficacy through the realization that participants could overcome language barriers, find their way on unfamiliar transportation systems, and relate to people who are culturally different from them" (p. 670).

This is the same process as Mezirow (1978) described as "a disorienting dilemma." As the model indicates, after a given trigger, individuals typically do one of two things: they react defensively or dismissively (Exaggerated Buffers) and essentially abort the sense-making process. This might involve judging, stereotyping, or otherwise evaluating in a way that negates any value to the experience. In those circumstances, nothing is learned and behavior is unchanged. (Hence, being *nonjudgmental* is another enabler of transformation.) Other individuals think about the situation and become interested in understanding it better (Normal Buffers); they analyze the variables at play, try to characterize the players involved in an objective fashion, and so on, and learn something at both the surface and deeper level that they can carry with them into their next experiences. This learning in turns builds new knowledge and increases their competencies and their performance levels as well.

Strategies for Globalizing Personnel

Regardless of the enabling competencies an individual might have, for this change or developmental process to occur, firms need to strategize to put their personnel into situations where this transformation process of contrast—confrontation—replacement can happen. The key is to organize the transformation process into all aspects of the learning process. We will use the 70–20–10 framework to illustrate this, but the inherent assumption applies to any learning framework a firm prefers; namely, the framework must be infused with activities that focus on the contrast—confrontation—replacement process.

Formal Learning (10 Percent)

Formal learning is a broad umbrella that includes many different types of learning strategies, including but not limited to traditional seminars, webinars, case studies, assessments, games and role-plays, lecture, etc. (Rabin, 2014). These types of training approaches are often quite passive in nature with heavy doses of PowerPoint slides. Trainees usually sit behind desks and listen to the trainer, watch videos, and are invited to join in class discussions. Attempts to induce experiential learning through role plays, simulations, or small group exercises are often seen as contrived, unrealistic, or overly formulaic if the trainer is not deeply experienced in artfully facilitating them. Additionally, too often formal training is "one-size-fits-all" in nature and does not accommodate individual differences in trainees (e.g., learning styles, job roles, or experience).

However, if formal training can be designed to enhance contrast processes (and sometimes confrontation processes), it can act as an important preparation for engaging in contrast and confrontation learning. An important prerequisite for experiencing contrast is cultural self-awareness. Cultural self-awareness relates to "the ability to identify personal beliefs and values that are sourced from one's cultural upbringing and to recognize the influence of this cultural conditioning on behavior" (Wernsing & Clapp-Smith, 2013: p. 535). Cultural self-awareness is necessary to "examine the source of personal cultural beliefs and values, identifying the tendency to use personal beliefs as a reference for evaluating others, and recognizing how specific cultural beliefs shaped leadership behavioral responses" (Wernsing & Clapp-Smith, 2013: p. 535).

Creating cultural self-awareness can be achieved in individuals in a formal setting but requires approaching training in the formal setting in a way that individualizes content for the trainee. One way to do this is to assess each trainee before the formal training via the use of a global leadership competency instrument (these types of instruments are discussed in Chapter 5). In addition to teaching trainees about various global leadership competencies and the necessity of paying attention to them, trainees can be given specific feedback on the degree to which they currently are in possession of competencies that are important for global leadership. This is the first step toward cultural self-awareness: individualized, personal feedback.

The cultural self-awareness that comes from individualized feedback can be enhanced via the use of blended learning strategies within the formal learning context. Blended learning is "typically defined as a combination of traditional classroom training with some form of virtual learning, such as e-learning modules, webinars, or virtual classroom events" (Rabin, 2014: p. 2). Take, for example, the case of Sandra, an accountant for a large Austrian firm who is being transferred to Tokyo with regional responsibilities for Japan, China, South Korea, and Vietnam.

After being assessed on competencies crucial to being a successful global leader and receiving feedback on them, Sandra's next assignment in the formal learning environment might be to take an eLearning Module on living and working in Japan, such as GlobeSmart (Doherty, 2016). After completing the module, Sandra now has an increased cultural self-awareness regarding how her own personal values differ from those of the Austrian and Japanese social and corporate cultures. She now has an awareness of this cultural gap that she will be facing living and working in Japan, and she now also understands what her stronger and weaker global leadership competencies are that can be strategically deployed to bridge that cultural gap. Sandra can now, along with the others in the training group (who each have different types of global assignments), spend time on creating personal strategies for developing social and work relationships that will help them be successful in the new countries they will be living and working in. At this point, multiple coaches could be assigned to the formal training session to help the trainees facilitate the creation of their personal development plans. In this way the formal learning has transitioned now to what Rabin (2014) calls learning through "developmental relationships" or what we term, *developmental learning.*

Developmental Learning (20 Percent)

Learning via developmental relationships involves approaches including, but not limited to, communities of practice, networking, executive coaching, workplace coaching and mentoring, and learning from bosses and superiors (Rabin, 2014: p. 2). Developmental learning, put simply, involves learning through discussion and interaction with others in one-on-one settings or in very small groups. When the coach entered the training seminar and began working with Sandra on developing a plan geared at developing functional social and work relationships in Japan, the formal learning that produced some degree of contrast (and perhaps some degree of confrontation too) shifted into the "20 percent" realm of developmental learning.

After working with her coach and devising strategies based on her contrast and confrontation experiences that flowed out of the formal and developmental learning processes of her training, Sandra may even have begun to engage to some degree in "anticipatory replacement learning" (Black, Mendenhall, & Oddou, 1991) before even setting foot in Japan. Even though she has not begun experiential learning via actual encounters in Japan with Japanese or in China with Chinese or in Vietnam with Vietnamese by foreseeing the types of encounters, she will likely experience an anticipatory form of experiential learning. For example, what she learned in her formal learning via the GlobeSmart modules and from her coach (developmental learning) about the importance of exchanging business cards in work contexts in Japan, and then linking that understanding with her current levels in competencies that can either enhance the probability of business card exchanging being successful or unsuccessful (e.g., social flexibility), she can experience by proxy, to some degree, experiential learning outcomes.

Experiential Learning (70 Percent)

Sandra's example illustrates the necessity of taking formal and developmental learning approaches and revamping them for individuals who will be working in global leadership roles. That said, this degree of blended learning is necessary but not sufficient for the significant development of global leadership competencies. Real blended learning is a "combination of formal learning combined with workplace-based or 'informal' learning opportunities—addressing all segments of the 70–20–10 rule" (Rabin, 2014). Global leadership competencies are only powerfully developed in the "70 percent" realm, the domain that Rabin (2014) labels "challenging assignments" and that we term experiential learning. This is where the transformation process that we discussed earlier takes place, or as Evans et al. (2017: p. 237) state:

> ... at the heart of development is the simple principle that people learn most by doing things they have not done before. People develop above all through challenge, by venturing outside their comfort zone. Test this yourself. Ask others to tell you about the experiences that were most valuable for their development. Surprisingly enough, people hardly ever mention training and education ... the vast majority will describe some stretching challenge that they worked through, often succeeding but sometimes failing, often in professional life but sometimes in private life, sometimes planned but equally often by chance.

Experiential learning involves learning from actual, real experience in global contexts. Often experiential learning is attempted through simulations of one sort or another, but there is no adequate substitute for engaging in tasks that are real and have real consequences. Obviously, the scope of possibilities for experiential learning are almost endless once a global leader is on the job and in the global context trying to successfully carry out initiatives. We are going to focus on three areas to illustrate how these can be productively leveraged to help people develop their global competencies via experiential learning by utilizing: 1) global business travel to strategically develop competencies associated with global leadership; 2) expatriate assignments to enhance global leadership competency development; and 3) international service learning programs to develop global leaders.

Leveraging Travel for GLD

International business travel tends to be very short-term (a few days to a couple of weeks) and can be very superficial in a cross-cultural learning sense because there is far less needed to learn the local language, learn the local customs, and understand more than superficially foreign counterparts and their national and organizational cultures. The international business traveler is often personally taken care of from arrival to departure without having to venture into the foreign culture and problem-solve on her/his own. Rarely do they need to learn the transportation system or where to shop for this or that. Quite often, they are little more than tourists in a business context. Many firms and many businesspersons, themselves, create these kinds of cultural bubbles and isolate themselves from having to encounter the local culture. There is no need to use their analytical abilities to figure things out, no need to ask or try to ask in the foreign language about directions or transportation, no need to translate signs directing them to certain places, no need to navigate traffic into the city, and so on. In other words, travelers may not be confronted with and therefore be forced to deal with any direct contrasts between themselves and the new culture. As such, without confrontation there is no real meaningful contrast, no unfreezing or change, and certainly no replacing of one's mental maps of how things are done, what is right and wrong, what works, and what doesn't work.

For traveling to be part of GLD, it must be designed strategically to do so. The company or traveler must build in time to the travel for mistakes and discoveries to be made. Travelers must be willing to take risks and to work at managing negative emotions or tensions that are created in trying to find their own way. They must be willing to try to observe carefully the actions and words of others and the effects they have on those around them. They have to experiment with ways to try to build trust quickly by being open, accepting, and appropriately appreciative. Recent research has found that business travelers who do these things significantly increase their global leadership competencies (Johnston, 2014). Damiran (1993: 29) speaks of this kind of traveler as a contrast to the tourist as follows:

> A traveler and a tourist can visit the same city, but experience it very differently. A tourist's goals are typically to see all the sights, learn their names, make and collect stunning pictures, eat the foods, and observe the rituals of the city. A traveler, on the other hand, seeks to understand the city, to know and live briefly among the people, to understand the languages, both verbal and nonverbal, and to participate in the rituals of the city. At the end of equally long visits, the tourist is likely to have seen more monuments, but the traveler is more likely to know how to use the public transportation.

J. Bonner Ritchie (Oddou, Mendenhall, & Ritchie, 2000) recounted an experience he had as a traveler that broadened his global mindset. While walking through the Muslim Quarter in the Old City of Jerusalem, he stopped to look at a brass vase. He asked the shopkeeper the price. Upon hearing the price, even though he wasn't seriously in the mood for buying, Bonner said "too much." The shopkeeper asked how much he would offer. He said he wasn't sure as he began walking down the street. The shopkeeper followed and threw out a lower figure: "60 shekels." Bonner, willing to play the game, responded "25 shekels." The merchant in turn said "40 shekels." They went through another round and settled at 35 shekels.

The important part of his experience was not the transaction, though without the transaction, no development would have occurred. After settling on a price, because the shopkeeper had noticed that Bonner seemed uncomfortable with the bidding negotiation, he asked Bonner why that was so. The merchant reminded Bonner that in the US, Americans do not buy homes or cars based on a fixed price, so why would negotiation be omitted from other transactions? He suggested it was not only more enjoyable to prolong the interaction but it was fairer to do so. Surprised, Bonner asked him why it is fairer. The merchant responded that this way the seller and buyer can arrive at a price that is mutually acceptable and that such a price is going to reflect the buyer's ability to buy and need to buy—it will likely be a higher price for someone who has more money and a greater need and a lower price for someone who is poorer or with less of a need. And so, the merchant reasoned, a lower price was not a better deal but a fairer deal.

Bonner had entered the negotiation with a sense of discomfort because doing business this way for this type of

product was not his normal way. Though not a lot was at risk in this situation, Bonner had to confront the effectiveness of his usual way of buying such products with the local way of doing so and figure out what was equitable. Bonner's assumption that a fixed price meant a fair price is a cultural belief he had been accustomed to in the US. The fairness was in a reasonable profit margin the merchant determined and the clarity of the price so the buyer can make an "informed" decision. It gives all the responsibility to the buyer, in a sense, to determine fairness. Bonner didn't want to be taken advantage of by paying a higher price than he should, particularly because he was a foreigner and suspected the merchant might try to gouge him (a higher profit margin than should be expected). Bonner was assuming this way of doing business gave the merchant all the responsibility and power to determine what was fair. From this traveler transaction, Bonner learned that "fairness" was a clear factor embedded in negotiations in such contexts, that equity or fairness was best reached in a more flexible, fluid context where the needs and motivation of the two parties could be understood in a conversation. This cultural *contrast* resulted in Bonner's *confronting* his understanding of "fairness" and "responsibility" in reaching equitable transactions. He gained a better appreciation for cultures that are more flexible and allow individual circumstances to influence transactions to reach a greater sense of equity.

This change in Bonner's mental map (*replacement or remapping*) would never had occurred had Bonner not ventured beyond his hotel room and hotel restaurant or if he had allowed himself to always be "protected" by a host employee who could have intervened. Bonner never would have had learned another perspective. Johnston (2014: pp. 309–311) found in her research that international business travelers who used short-term assignments to successfully enhance their global leadership skills engaged in the following practices:

During and after their travel assignments they reflected on the experiences they had during their travel, especially regarding how they adapted their leadership styles to fit the culturally complex situations they had found themselves in and how their behavior reinforced business relationships.

Because their visits were so short in nature, they focused on having a constant realization that they had to maximize every opportunity that arose to successfully assess, adapt, and respond effectively with peer managers, local employees, clients, and other stakeholders.

They used their short-term travel assignments to augment their "natural interest in history or learning about global cultures, including reinforcement of deep affection for regional cultures, as well as an increased sense of responsibility to live as a global citizen" (p. 310).

They gained in-depth knowledge about the nature of the workforce in their companies in various countries, which in turn positively influenced their perspective and desire to develop global leadership talent from managers based in multiple countries.

They reached the conclusion that global business cannot be conducted mainly via technological communication; rather, "all participants questioned if virtual technologies could ever fully replace the need for in-person face-to-face communication … Among this group of leaders there was a clear business orientation for results. Yet leader narratives reflected the recognition of the necessity to blend results with strong enduring relationships and the active commitment to build those relationships" in order produce positive business results (p. 311).

International Assignments

On the other side of the spectrum from international travel is an international assignment. It is commonly agreed upon that international assignments are the best proving grounds for developing global management competencies (McCall & Hollenbeck, 2002) as they are the longest type of exposure to foreign business and culture (1–3 years usually), and when strategically designed, require a tremendous amount of interaction and integration into all aspects of the culture. Still, as we have noted in the previous section, an international business traveler on a short-term assignment who is curious and motivated to learn can have an experiential learning experience that goes well beyond that of a tourist.

It is the necessity of integration into the host culture that causes the greatest degree of culture shock, and culture shock is the absence of familiar "markers" in a person's environment. This causes a disorientation and inability to perform according to habitual expectations. In the *general* culture, an expatriate must normally deal with differences in language, rules of the road, shopping, on down to such mundane but essential things as differences in car insurance and the payment of utility bills and more. Within the *work environment*, the expatriate might also deal with language differences, but he or she more certainly deals with differences in work culture, performance appraisal systems, meeting behavior norms, and so forth. The expatriate might or might not have family members with him or her, and those family members each will be dealing with another subset of the culture and will bring additional and supplementary contrasts to the expatriate's cross-cultural learning experience.

When one of the authors of this chapter was in France with his family, they moved into the home they were to be in for six months while on an assignment there. The washing machine had just broken down. They were given a phone number of the repairman to call by the previous family. He called, and the repairman said he would be out within a couple of days. The repairman never came. He called again after a few more days and the repairman said he'd be out right away, but that it was taking longer because the washing machine was German and he had to order the part from Germany. (He had never even come out to the house to see what was wrong to even know what part might have to be ordered!) Either way, he never came. The author's wife began to complain and was getting upset with him from having to do so much wash by hand (because they didn't know where to go to wash or if there were any public washing machines even available). He called the repairman again and told him (in good French) that the repairman was unprofessional. With that, the repairman got upset, and both of us hung up our phones, mutually dissatisfied.

One day, about two weeks later, while eating at the parents' home of the people whose house they lived in, the mother asked how everything was and he told her except for the problem with the washing machine, things were great. She asked what was wrong, and they explained what had transpired. She immediately said not to worry, that the repairman had been a previous employee of theirs for many years in their import-export firm, and that she would call him. He came out the next day with a replacement washer.

There was a lesson to be learned there. But the lesson wouldn't have been learned had the author not had to personally *confront* the *contrast* in the "repair process" in France and the US. In the US, he was used to a repairman making an appointment and usually coming approximately when the appointment was made. When that didn't happen in France, he had to confront the difference but without any explanation for why the repairman behaved this way. When he saw how quickly his previous employer got him to come, he began to realize that this is a country where relationships could mean everything. The author had no relationship with the repairman, and so there was apparently no obligation—he could take as long as he wanted and it was acceptable. The mother of the people whose house they lived in had a long relationship with him. That previous relationship apparently was enough to motivate the repairman to do something even though he was no longer in their employ.

The author now had to modify his understanding of how things can get done (*replacement*). In the US, the

relationship between repairman and the customer is a neutral one. However, because customer service is a competitive advantage for business survival in the US, a deep relationship is not needed. The required relationship is established simply by being a customer—business is business. This notion was in stark contrast to his experience in France where the relationship is established over years of familiarity, and not by virtue of being classified as a customer over a phone conversation. And so to get things done in a country like France, the author realized he had to establish and maintain relationships. He had to replace his mental model of supplier-customer relationships to fit a broader definition. As an expatriate, this was just one of the many "maps" that was altered during his time in France.

International Service Learning

International corporate-sponsored volunteer (ICV) or sometimes referred to as corporate international service learning programs are "pro bono advisor programs" that "provide opportunities for a firm's skilled employees to go 'on loan' as pro bono advisors to nongovernmental organizations (NGO) in developing countries. The participating employees provide short-term, project-based technical expertise for projects identified by the NGO, the deliverables of which are aimed at NGO capacity-building" (Caligiuri, 2015: p. 226). There has been a fourfold increase in the use of ICVs by firms over the past decade, with firms such as Becton Dickinson, Cargill, Credit Suisse, Dow Chemical, EY, GlaxoSmithKline, IBM, Intel, Microsoft, Novartis, Pepsico, Pfizer, and PricewaterhouseCoopers prominent adopters of this approach to GLD (Bhasin, 2016; Caligiuri, 2015; Maak, Pless, & Borecká, 2014; Pless & Borecká, 2014).

ICV programs are most often limited to high-potential managers (who are either selected via an open application process or by top management) and are commonly imbedded into rotational programs (Caligiuri, 2015). They are seen as creating significant benefits above and beyond the philanthropic outcomes associated with the programs, such as talent attraction, retention, and global leadership competency development. For example, a recent study (Emerging World, 2015) of five multinational organizations (Becton Dickinson, Credit Suisse, EY, GlaxoSmithKline, and Microsoft) that use ICVs, found that ICV programs:

Significantly advance careers: After their ICV experience, 66 percent of the managers moved on to roles with higher levels of scope or responsibility (p. 7).

Significantly advance high-potential retention: After their ICV experience, 82 percent of the managers "continue to work at the organization that supported their experience" (p. 7).

Significant advances in employee engagement: After their ICV experience, 87 percent of the managers have greater pride in their organization, 78 percent have greater loyalty toward their organization, and 75 percent have higher motivation to perform above and beyond standards required in their current positions (p. 8).

Significant increases in the development of global leadership competencies: After their ICV experience, participants reported powerful increases in cognitive complexity, tolerance of ambiguity, self-awareness, cross-cultural interaction skills, self-confidence, collaboration skills, and initiating new ways of doing things, among others (p. 6).

Similarly, other studies have found that ICVs produce increases in varying degrees in attendees' global leadership skills, some examples being cross-cultural awareness, inclusion, empathy, global mindset, cultural intelligence, and other leadership capabilities (Maak et al., 2014; Pless et al., 2011; Pless & Borecká, 2014).

ICV Case Example: PricewaterhouseCoopers (PwC)

PwC is a global firm, made up of legally independent firms in over 100 countries. Co-owners of each firm are designated as partners, and they constitute 5 percent of the more than 200,000 people PwC employs worldwide. PwC has been running their GLD program named Project Ulysses, and from 2001 to the present over a hundred partners have gone through the program (Pless, Maak, & Stahl, 2011). PwC runs a variety of global leadership competency development training programs, but for the purposes of this chapter, we will focus only on Project Ulysses, which is designed to enhance the global leadership competencies of their partner-level executives. Pless et al. (2011) state that

> The overarching goal of the Ulysses program is to promote responsible leadership within PwC's global network of firms and to develop partners of the firm into well-rounded leaders who are aware of their responsibilities in society and capable of interacting effectively and ethically with various stakeholders in the global marketplace.

<div align="right">(pp. 240–241)</div>

The core concept of Project Ulysses is simple and straightforward: form partners into teams of 3 or 4 and send them to developing countries for two months to work on challenging assignments with local and international organizations. For example, in Africa, partner teams have worked in Cameroon, Eritrea, Ghana, Kenya, Madagascar, Namibia, South Africa, Uganda, and Zambia on projects that involved combating HIV/AIDS, enhancing agriculture production, growing rural electricity, facilitating landmine removal, mental health development, providing ongoing clean drinking water, and institutionalizing women and children protection services, eye care, rural development, and more. Partner teams have carried out similar types of projects in Cambodia, China, East Timor, India, Belize, Ecuador, Paraguay, Peru, and Moldova (Pless et al., 2011). After partners are nominated and selected to participate in this program, there are five phases or stages to the Project Ulysses program; they are summarized in Figure 8.2 below.

Each phase is designed to prepare participants for challenges faced in later phases of the developmental process. For example, in the induction phase, yoga training is given to prepare the participants to relieve the intense stress that they will face working 24–7 in their service-learning environment. Also, they receive individualized coaching to help them strategize how they will approach, cope, deploy their expertise, and learn global leadership skills during their time overseas. After their assignment ends, during the debriefing stage, the focus is on learning activities that help the participants in individual and collective sense-making of their experience in order to "lock in" their learning and to be cognitively, affectively, and behaviorally aware of the degree to which they have developed and expanded their global leadership competencies (Pless et al., 2011).

Pless and her colleagues studied the impact of the Project Ulysses program on its participants, and their findings indicate that the program produced heightened levels of global leadership skills. As the Mezirow (1978) and Kozai Learning and Transformation Model shows, they found that global leadership skills occurred because of the operation of "triggering mechanisms," and that these mechanisms were three fold in nature; namely, 1) being forced to resolve tensions and paradoxes in the new, unfamiliar environment; 2) having to construct a new "life-world" in order to make sense of the new environment in order to successfully achieve their project task; and 3) being forced to cope with adversity and the attendant strong emotions that were triggered by that adversity (Pless et al., 2011). Their findings support the notion that crucible experiences are powerful vehicles for the development of global leadership competencies (for a more in-depth discussion of the role of crucible experiences in GLD, see Chapter 6). More specifically, Pless and her colleagues found that: 1) significant learning took place in the areas of cultural intelligence and intercultural competence development; 2) participants had heightened levels of tolerance, openness to different cultural norms and perspectives, and nonjudgmentalness; 3) significant increases occurred in the areas of cosmopolitan thinking and the ability to grasp and manage complexity; and 4) participants showed heightened abilities to reconcile global and local imperatives, as well as evidencing significant learning gains in moral reflection, self-awareness, and the role of leaders as global citizens. (Pless et al., 2011: p. 249): From their study, they concluded the following:

Phase	Focus	Length
Preparation	360 Feedback, team formation, team project assigned, team coaching	8 weeks
Induction	Project briefing, yoga training, personal coaching, personal development plan, team building, project planning	7 days
Field Assignment	Teams implement plan in field, coaches visit in field	8 weeks
Debriefing	Celebrate and report results to other teams, learn through debriefing with coaches, record team-learning narratives, develop individual vision statements, engage in yoga and meditation	8 days
Alumni Networking	Regional alumni meetings, global alumni meetings bi-yearly, alumni special interest groups, follow-up visits, surveys, and events	Ongoing

Figure 8.2 Design of PwC's Project Ulysses Program

... international service-learning programs that involve cultural immersion at a relatively deep level through daily interaction and collaboration with local stakeholders can help managers ... Experiencing the heightened ambiguity, challenging ethical dilemmas, and cultural paradoxes associated with working in a developing country can trigger a transformational experience and produce new mental models in managers—new world-views, mind-sets, and perspectives ... A substantial portion of Ulysses participants reported that the program helped them to broaden their horizons, learn more about themselves, adapt to a new culture, learn how to perceive the world through the eyes of people who are different, and work effectively with a diverse range of stakeholders—qualities which are essential for leading responsibly in a global and interconnected world.

(Pless et al., 2011: p. 252)

PwC is also an example of the difficulty in institutionalizing "best practice" HR programs over long time horizons. Due to a combination of factors, PwC decided to discontinue the Project Ulysses program in 2008. Ralf Schneider, who was Global Head of Talent at PwC, had championed the program from its inception through 2008. He left PwC in 2008 and turned the program over to his successor. Simultaneous to this handover, the program was going through a review at PwC headquarters to assess its value-added yield for the firm when the global financial crisis occurred. The decision was made to discontinue it as a key global talent program, but to leverage development lessons learned from it and spin those elements off into other developmental programs at PwC that were less costly in nature. An example of such spin-offs is the Oasis Program, where high-potential managers spend ten days in developing countries going through a similar process as that of Project Ulysses (Schneider, 2016).

Another example of Project Ulysses's contribution to global leadership development at PwC is the year-long My Way program. It involves European managers who are being prepared for partnership status, and requires them to engage in three modules that involves collaboration and coaching between residential periods. It is estimated that almost half of the PwC partners in Europe have participated in the My Way program. Schneider observed that Project Ulysses, from its beginnings, was an "experimentation space" that acted as an incubator for talent development ideas to be tested out, and that each year it was evaluated, tweaked, and it evolved accordingly—it was never intended to be scalable, but to be a "hothouse" for learning principles and techniques that could be applied to all types of talent development initiatives at PwC (Schneider, 2016). From that standpoint, it served its purpose, and continues to infuse talent development philosophy and practice at PwC. Conversely, however, the unfortunate fact remains that PwC no longer deploys an empirically proven, comprehensive, and immersive program for developing global leadership competencies like it had in Project Ulysses.

Strategies for Globalizing Personnel and General Leadership Development

It has been noted that "the primary objective of global leadership training is stretching someone's mind past narrow domestic borders and creating a mental map of the entire world" (Black and Gregersen, 2000). To accomplish this, most GLD programs take an eclectic approach to the challenge of developing global leaders, with an emphasis on classroom and information exchange types of approaches. As was discussed earlier, Dodge (1993) found that 20 percent of managerial learning is best suited for classroom-type scenarios, and 30 percent involves exchanging information with others, and learning from them (with the 70−20−10 framework reflecting a similar categorization of learning modes). Both frameworks contend that more in-depth learning occurs from actual, personal work experiences—if they are facilitated in productive ways.
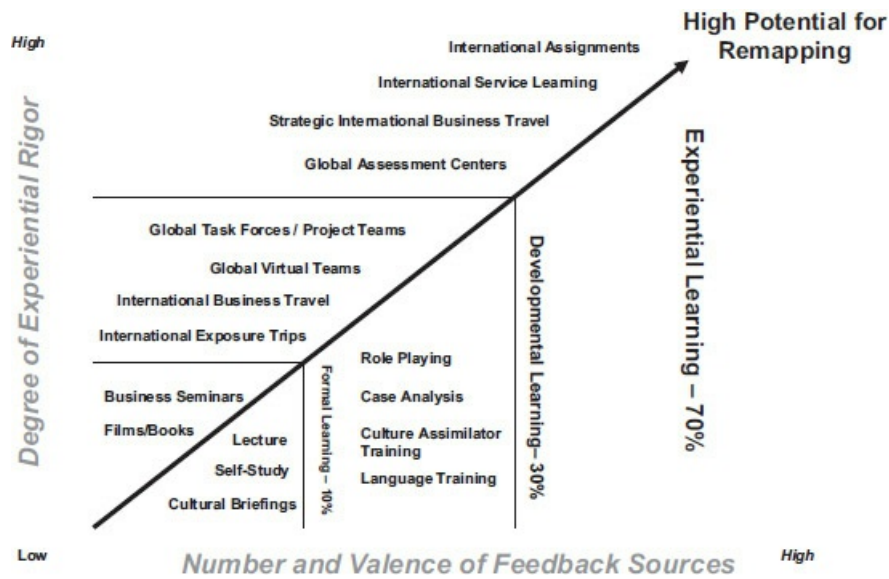
Figure 8.3 The Relationship of Experiential Rigor and Feedback on Global Leadership Competency Development

The more *experiential* or more *holistic* (emotional + behavioral + intellectual) the experience or contrast that characterizes the experience, the greater the potential impact or development. In addition, the greater the number of *sources* of feedback that tells the manager his or her behavior or decision was or was not appropriate, the more impact the contrast will have on development. These contrasts cause us to reflect and possibly seek out perspectives from mentors or coaches to help us understand the contrast and how to manage it. All this can more easily lead to the unfreezing and changing of our mental maps. Of course, in the process of working with foreign counterparts in job assignments (e.g., international assignments, task forces, virtual teams, negotiations, etc.), the manager is also building global networks, another important common component of general leadership models. Figure 8.3 illustrates these relationships.

Recent research on global leaders bears out the notion that developmental activities at the higher-end of the continuum in Figure 8.3 facilitate global leadership development. Caligiuri and Tarique (2011) studied 420 global leaders, and among other findings, reported that "high-contact" experiences that were initiated by the organization such as lengthy expatriate assignments, work as a global team members, mentoring by people from another culture, etc., helped managers develop critical global leadership competencies. Thus, the careful structuring of developmental experiences that have embedded within them the key learning triggering mechanisms that have been previously discussed are critical to GLD.

Company-wide GLD

While international corporate volunteering (ICV) is solidly based on practices in the higher end of the continuum in Figure 8.3 and engages in processes that are ideally designed to foster the development of global leadership competencies, ICVs are almost always limited to high potentials and are not available company-wide to all employees. It would be almost impossible to rotate all employees that work for a large multinational corporation through ICVs. However, it can be argued that global organizations should require all their employees to have global knowledge and skills. However, few companies have tried to address implementing company-wide GLD programs with all their employees. Next, we provide a case study that we began with the previous edition of this book, and here we update its evolution to its current state at the time of publication of this new edition.

IBM's GIE Leadership Development Program

In 2008, IBM launched their flagship Corporate Service Corps (CSC) program to give its future leaders the kind of experience they needed to develop skills and perspectives to effectively address the challenges it faces in the global marketplace. This was part of an effort to become a truly globally integrated enterprise (GIE) and nurture a cadre of employees to be more collaborative, more attuned to a multiplicity of cultural differences, and far more fluid and globally networked (IBM, 2008).

As a precursor to the development of CSC, IBM consulted with numerous constituencies to create a model of what skills different employees need to be GIE-type leaders. They spoke with and listened to hundreds of IBM employees in more than 30 countries, their clients and business partners, academic scholars, university students who were potential future hires at IBM, and government leaders. The GLD model that was created from this approach focuses on two primary factors: 1) providing more employees with enhanced global skills; and 2) offering more varied global experiences earlier in careers (White & Rosamilia, 2010).

The desire is to "embed cultural intelligence and adaptability throughout IBM" according to the job roles that employees hold. IBM employees are expected to identify their own global skill gaps and to develop them with assistance from IBM support personnel, and tracking measures have been implemented for accountability purposes; for example, IBM is trying to track global skill development by: 1) measuring improvements in global competencies over time; 2) assessing employee satisfaction based on employee feedback; and 3) assessing increases in availability in their workforce of global skills to meet business needs (White & Rosamilia, 2010: p. 7). The overall program is designed to develop the degree of global competencies necessary for each IBM manager and employee in relation to the degree to which their role requires basic, intermediate, or advanced intercultural competencies.

As part of this global initiative, the Corporate Service Corps began in 2008 and has since involved nearly 3,000 of IBMs best employees in programs that have positively impacted 41 million people across 37 countries (IBM, 2016). IBM employees have worked in a variety of countries all over the world—India, Romania, Argentina, Mexico, Ethiopia, Vietnam, South Africa, and many others. Projects have included such varied initiatives as developing an educational training program for healthcare volunteers in Peru, creating a social media strategy to help promote gender equality and women's rights in India, implementing entrepreneurial training for women in Africa, and developing programs to aid people with disabilities in Africa, Asia, Central and Eastern Europe, Latin America, and the Middle East. Most of the projects are related to strategy and roadmap development, with a good number also involving general consulting with existing business, educational, health, agricultural, and financial institutions (IBM, 2016).

The original 2008 plan involved a six-month total program span: Phase 1 involved three months of self and team preparation; Phase 2 involved one month working in the country; and Phase 3 involved two months of post-country work. Assessments of the first CSC program launched in 2008 found that participants showed

strong increases in the following competencies: appreciation of differences in the world, value of working cross-culturally, enhanced leadership skills, and emotional resilience (Marquis & Kanter, 2010). IBM reported in 2010 the following general results of the overall GIE initiative (White & Rosamilia, 2010: p. 12), which have continued to the present:

1. an increase of global leaders have emerged throughout IBM;
2. an increase of collaboration at the country level between senior leaders and local leaders in effective execution of corporate strategy;
3. an expansion and deepening of global client relationships;
4. an increase in the creativity of client solutions around the world;
5. an increase in understanding in employees of IBM's global strategy, their role as global citizens, and how they fit into IBM's global strategy; and
6. an increase in the degree to which employees collaborate with peers.

Since its inception, IBM has partnered with other firms to combine expertise and solve specific problems in these foreign countries. Client firms that IBM has teamed with on projects include Beckton Dickinson, Cairn India, CMEX Foundation, Dow Chemical, FedEx, GSK, John Deere, JP Morgan Chase, and Unilever. More recently, IBM has joined forces with the Peace Corps to work collaboratively on projects in Ghana, the Philippines, and Mexico in 2016. This year alone, "IBM will send nearly 400 more IBMers on 28 teams to 19 countries" (IBM, 2016a). The capstones of the broader GLD programs of PwC and IBM clearly create contexts where their employees must engage in the contrast, confrontation, and replacement process in a deep and meaningful way.

Not only do IBM employees acquire more relevant business knowledge from engaging in these projects (e.g., cloud, analytics, mobile and security), but they also report improving significantly their communication skills, and over 90 percent of participants report they acquire these essential leadership skills (IBM, 2016a): 1) the ability to effectively lead a global team (96 percent), 2) the ability to effectively collaborate to work effectively in teams (95 percent), and 3) the ability to better understand other cultures (91 percent).

In addition to the highly effective CSC program IBM has initiated, it also has developed its Global Enablement Teams (GET) program to help execute the GIE model at local levels and to encourage the development of global mindsets and capabilities (IBM, 2016b). Country General Managers (CGMs) identify the areas of expertise most needed in their country to further that country's business growth, and then four or five senior executives from multiple geographies and disciplines are assigned to work with the CGM. They make a commitment of three to four years, and visit the foreign country at least twice a year as a team as well as engage in multiple other visits as individual team members. Outside of the country visits, team members maintain contact and continue to make progress on the project through one-on-one mentoring relationships with in-country leaders. The GET initiative is designed to create a win-win situation. The CGM and in-country IBM senior leadership get expertise from outside their country while the GET members broaden their leadership and cultural adaptability skills and knowledge of local perspectives about existing priorities and economic, political, regulatory and social conditions in a foreign country. Finally, GET teams partner with CSC and other IBM-designated program participants to increase each other's effectiveness and develop networking and additional team skills (IBM, 2016b).

Developing Global Leaders in Domestic Contexts

But unlike PwC and IBM, what if a company is not able to spend the resources and time and intensity on their GLD efforts? In contrast to programs like PwC's Project Ulysses and IBM's CSC where managers are sent overseas for experiential learning, the Seitenwechsel ("perspective change") program was run by the Union Bank of Switzerland (UBS) in the late 1990s to achieve the same outcomes (Mendenhall & Stahl, 2000: p. 258). Part of the ongoing management development efforts of this firm was to broaden and expand the perspectives of their managers so as to better understand people who were different from them. USB managers were assigned to work for one week, full-time, with not-for-profit agencies that dealt with various social problems; for example, some managers were assigned to work with terminally ill HIV patients while others were required to care for the homeless at government-sponsored shelters. In other cases, managers were assigned to work with juvenile delinquents or with immigrants from war-ravaged countries who were seeking asylum.

Though often painful and challenging, this experience provided powerful contrasts to the managers, and challenged them to expand their perspectives and worldviews. The results indicated that this intensive simulation experience helped the USB managers to significantly "reduce subjective barriers and prejudices, learn more about themselves, broaden their horizons, and increase their interpersonal skills—all of which are competencies associated with global leadership" (Mendenhall & Stahl, 2000: p. 258). Interestingly, 60 percent of the managers who participated in the Seitenwechsel program continued to support the institution that they served in after the program finished (Mendenhall & Stahl, 2000).

The Seitenwechsel program is an excellent example of a GLD technique that can be classified in the "personal work experience" dimension of managerial learning. Managers were placed in situations where they had to extend the reach of their existing competencies to handle, cope, and be productive in milieus that were alien to them. Thus, it is possible to develop global leadership competencies without sending people overseas per se. Also, such in-depth simulations can be used to increase the number of managers who are trained to develop global competencies, as this type of global leadership competency training does not require managers to be sent overseas on either long- or short-term assignments, which can be quite expensive and budget-prohibitive.

The programs developed by IBM, PwC, and UBS have created assignments that are based on the conditions most important for global leadership development (Thorn, 2012) where significant differences in conditions and approaches are common and new solutions must be found through collaboration with people who do not share the same cultural perspectives or values. A final important element in all these programs and firms is that the leadership development programs initiated were consistent with the organization's culture (Bjarn et al., 2013; Espedal et al., 2013). In an in-depth case analysis of the Finnish firm, Wärtsilä, and then after combining their findings with studies of GLD best practices in 18 other large firms (Ameritech, BP, Boeing, Cisco, Citibank, Colgate-Palmolive, Dell, Ericsson, FedEx, GE, HP, IBM, Johnson's, Motorola, Pepsico, Prudential, Shell, and Vodafone), Salicru and his associates (2016: pp. 14–17) derived the following 14 principles they deemed necessary for GLD programs to merit being of the "best practices" level:

1. CEO total commitment to GLD
2. Alignment of GLD with firm's global strategy and goals
3. Involvement of senior leaders and managers in the GLD program
4. GLD program goals must be clear and relevant
5. Careful participant selection for admittance into the GLD program
6. Comprehensive and integrated assessment of the GLD program
7. Personal goal setting and action plan implementation requirements for participants
8. Pre-entry feedback and coaching
9. In-program and post-program coaching and peer coaching
10. Rigorous experiential learning during the GLD program
11. Reflective learning exercises

12. Building social capital through networking with peer participants and others
13. Online follow up work along with one-one-one follow-up
14. 14. Comprehensive evaluation of the total GLD program

New Directions and Unanswered Questions

We now turn to the future of GLD research and practice and will discuss briefly some of the conundrums and trends in the GLD field, the purpose being to alert young scholars to potentially fruitful areas of research focus.

Can All Managers Learn Global Leadership Competencies?

The answer to the above question would seem to be a straightforward, "Yes!" based on the findings of the studies we have cited to this point. As Caligiuri & De Santo (2001) and others note, the undergirding assumption or raison d'être of GLD programs is that global leadership competencies can be developed through rigorous, experiential development processes (Caligiuri & Thoroughgood, 2015; Terrell & Rosenbusch, 2013a). However, Debrah and Rees (2011) observed that

> Perhaps the most contentious aspect of the literature on the development of global leaders/managers is the issue of whether all managers can be trained and developed to acquire global perspectives.

(pp. 389–390)

The key issue here is the term "*all managers.*" Research clearly shows that rigorous experiential experiences that international volunteers undergo generate increased levels of competencies associated with effective global leadership (e.g., Fee & Gray, 2011; Pless et al., 2011). However, these types of individuals often self-select for these types of opportunities—would *anyone* who is placed into these types of contexts develop global leadership competencies? This debate stems from the same disagreement that exists among some scholars and practitioners in the general field of leadership, that is, the notion that some people simply will never be able to become leaders no matter how devoted an organization is to try and develop them into leaders.

Caligiuri (2006) has contended that it is likely that individuals' abilities to develop global leadership competencies are dependent upon their aptitude, knowledge, skills, abilities, and personality traits. Personality traits that may influence competency development are viewed by most scholars as being immutable, and do not change much over time (Caligiuri, 2006; Furuya, Stevens, Bird, Oddou, & Mendenhall, 2009). If this is so, then the implication for firms is to carefully select employees to enter GLD programs based on their "developmental readiness factors," and to exclude employees from working globally who are less suited to do so (Caligiuri, 2006; Debrah & Rees, 2011; Gregersen, Morrison, & Black, 1998; Ng, Van Dyke, & Ang, 2009). Earlier we reported that Caligiuri and Tarique (2011) found that "high-contact" programs produced global leadership competencies in the global leaders in their sample; however, there is a caveat to that general finding —"certain experiences are better than others (i.e., those that are high-contact) and that certain people benefit more from those experiences (i.e., those with extraversion, emotional stability, and openness)" (Caligiuri & Tarique, 2011: p. 1). Interestingly, they found that there is a "dynamic interplay" between personality traits and activities that are high-contact in nature and that this interplay allows for global leadership competencies to be developed and for global leadership outcomes to take place. That is, individuals who were high in certain types of personality traits were more likely to develop global leadership competencies in "high-contact" or experiential learning contexts. They argue that:

> GLD programs should identify those individuals with the requisite individual characteristics (e.g., personality) and then offer high-contact cross-cultural experiences to those identified. Multinational organizations (MNCs) are encouraged to (1) assess their potential global leaders for personality characteristics and, having selected carefully, (2) promote high-contact culturally oriented experiences.

Furuya et al. (2009) reported similar findings. Expatriates in their sample who had higher levels of intercultural competencies associated with global leadership before they began their overseas assignments were significantly more likely to enhance those competencies during their international experience than were their associates who had lower levels of those competencies before departure. After a review of related research, Thorn (2012) stated that conditions which are optimal for global leadership development include:

International assignments with responsibility and authority

Assignments and travel to different countries

Broad leadership education and training outside the organizational context (e.g., other disciplines, other sectors)

Rotational assignments to other organizations

Sabbaticals for continuous learning and perspective

Opportunities to work with and "shadow leaders"

Assignments to action learning/risk-taking teams

Similarly, and after reviewing the relevant literature, Caligiuri and Tarique (2014: p. 254) propose that experiential learning experiences "provide opportunities for global business leaders to engage in significant and meaningful interactions with people from different cultures … and identify, learn, and apply diverse culturally appropriate business behaviors," what they term, "treatment." Certain types of personality characteristics, language skills, motivation to engage in GLD, and prior cross-cultural experience form a separate construct that they label "aptitude." They propose that there is an "aptitude x treatment" interaction effect in GLD, and that aptitude "should be related to accelerated development from high-quality [experiential learning] experiences in the cross-national context" (p. 255).

Future research is required to fruitfully unpack each of the dimensions in the aptitude construct; for example, no doubt the "motivation" component is multidimensional in nature. Björkman and Mäkelä (2013) found in their study of 427 individuals from 14 different multinational companies that willingness to accept on-the-job challenges (i.e., motivation to engage in experiential learning) in the form of an international assignment was positively associated with an awareness that they had been identified as a high-potential talent in the firm, the degree to which they identified with corporate values, their perceived effectiveness of the developmental potential of the international assignment, and previous experience in studying abroad.

So, were the employees of PwC in the Ulysses Project or those in the IBM CSC and GET programs simply people who were more predisposed to develop global competencies than their counterparts due to their personality make-up and/or because they already possessed those competencies to a high degree? Do these types of people tend to apply for or be nominated by their superiors to be admitted into GLD programs more often than those who are not predisposed for global competency development? Is that why the best practices are best practices—because inadvertently these companies tended to select participants who were predisposed to be more likely to succeed? Similarly, does this apply to the success that leaders had in developing their global leadership competencies via the use of short-term international travel assignments (Johnston, 2014)? Did they have preexisting high levels of global leadership competencies, which in turn caused them to engage in behaviors that created an increased enhancement of their global leadership competencies during their short-term international travel assignments?

Or did the design of these GLD programs (or the unique nature of the short-term international travel assignments) elicit competency-triggering processes within people *despite* their developmental predispositions? A moderation of this stance would be that well-designed programs have the capability to facilitate improvement in any or most individuals—but at varying levels. That is, predisposed individuals may reach higher global competency levels, but less-predisposed people may nevertheless improve their global competency levels as well—just not to the same heights as those who were highly predisposed. In the end, this is an empirical question, and a gap in the literature exists on this issue that needs filling by future research studies. To date, studies have not tended to measure predisposition levels for global competency development in participants and then tracked their *pre-*, *during-*, and *post-*global leadership competency development processes and the outcomes of those processes.

Do National/Regional Cultures Influence Preferred Modes of GLD?

Exploratory research indicates the possibility that global leadership may be conceptualized differently depending on one's national cultural perspective (Lokkesmoe, 2009), and that GLD may be influenced by the degree of fit between "national culture" and "leadership competency development method" (Wilson & Yip, 2010; Yip & Wilson, 2008; 2010). Though some leadership development processes are universal across cultures (Mendenhall, 2011), such as challenging assignments, developmental relationships, hardships, coursework and training, and personal experience (Wilson & Yip, 2010), other variables likely come into play differentially across cultures in leadership development processes. Thus, depending on the culture in question, some of the five processes above may move from figure to ground, and vice versa, in their preference and importance to participants in terms of GLD. For example:

> Hardships include crisis, work-related mistakes, career setbacks, and ethical dilemmas. The types of experiences categorized as "hardships" are cited less frequently in India and Singapore than in the United States. Do managers genuinely experience fewer hardships in some countries? Does that mean that leaders from those countries are less likely to learn the unique lessons produced by hardships?
>
> (Wilson & Yip, 2010: p. 53)

Also, leadership development processes beyond the universal types mentioned above exist in some cultures and not in others; thus, the way an individual would most likely go about trying to develop global competencies may differ significantly across national cultures. For example, in the case of Indian executives, "familial relationships—such as with parents, uncles, and cousins—are cited more frequently as sources of leadership learning than is the case with executives from other countries" (Wilson & Yip, 2010: p. 53). Kwantes & Chung-Yan (2012) analyzed the Canadian culture to ascertain the degree to which Canadian values related to individualism and collectivism, egalitarianism, caution, consensus building, regionalism, multiculturalism, tolerance, and deference to authority influence the potential for Canadian leaders to develop global mindsets. They concluded that the national Canadian orientation toward these cultural constructs "uniquely situates Canada as a place for developing leaders with a global mindset" (p. 315). These exploratory studies point to a potential new stream of research in the field; namely, the degree to which national and regional cultures facilitate global leadership development in leaders and people generally within those cultures, and privilege specific developmental methods over others due to a "culture-method" fit.

For most global organizations, GLD programs tend to take on a "one-size- fits-all" paradigm—even in the case of the best practices firms we highlighted in this chapter. And this may be efficacious for employees who have internalized the global work culture and values of the organization in which they work. However, the work of Wilson and Yip suggest that employees may also have deeper, emotionally preferred ways of developing leadership competencies that may or may not be congruent with the organization's GLD program. Paying close attention to these cultural preferences may be important—even critical—to developing global competencies across a global workforce. Wilson and Yip (2010) observed that:

> Our current models of leader development draw primarily on the experiences of senior executives from United States and Western European corporations. Does the use of individualism as a tacit frame of reference for current research truncate a more complete understanding of leader development?
>
> (p. 53)

Which Competencies Are the Most Important?

The above question is a common one that many participants ask in GLD programs. They want to know which global leadership competencies they should concentrate on the most. Some experts suggest that inquisitiveness is the most important global leadership competency because it is foundational in nature, acting as the "glue" that holds the other competencies together (Black et al., 1999). However, the field has not progressed to the point where this question can be answered with any sense of certainty from an empirical basis. It is likely that global leadership competencies may vary in their valence of importance depending upon the various contextual factors at play in each setting. For example, Terrell and Rosenbusch (2013b: p. 1073) argue that different global job roles come with unique and varied competency requirements. We agree with the conclusion of Cumberland et al. (2016: pp. 312–313), who, upon reviewing the GLD literature, stated that "one of the gaps in the literature we found is the need for a more coherent understanding of what global leadership competencies are needed in different contexts. We urge HRD researchers to begin studying and mapping global competencies across these various spectrums, as it is unlikely organizations will be able to find employees who can successfully master all of the competencies that have been associated with global leadership."

To provide an initial framework for conceptualizing the variations inherent across global leadership roles, Reiche and his associates recently proposed a typology of global leadership roles that focuses on context as being critical to assessing the nature of contingency in global leadership roles (Reiche, Bird, Mendenhall, & Osland, 2015; 2017). This typology is discussed in greater detail in Chapter 13. They propose four ideal-types of global leadership roles: 1) incremental, 2) operational, 3) connective, and 4) integrative, and that vary along two dimensions: 1) task complexity (the variety and flux inherent in the task context in the specific role situation global leaders find themselves in), and 2) relationship complexity (the degree to which global leaders must engage in boundary spanning and manage relationship interdependencies in the specific role situation global leaders find themselves in). By applying this typology of global leadership roles to their samples in their research studies, scholars will be better able to differentiate between different types of global leadership activities and be able to more accurately study the degree of influence that specific global leadership competencies have in various global leadership role settings. In turn, this more nuanced understanding of the relationship between global roles and global leadership competencies will allow practitioners to develop more finely tuned, role-relevant GLD programs.

Developing Global Leadership Competencies in Academia

Multinational companies are increasingly expecting the university graduates they hire to come equipped with international business skills, and in fact note that the lack of global mindsets and skills in university graduates from North American universities is a strong concern of top management (Datar, Garvin, & Cullen, 2010; Ghemawat, 2011).

Probably the most common approach to attempt to expose students to international business and to teach them international business skills is through traditional classroom instruction. It would be rare, indeed, to find a business school in developed countries that does not require students to have matriculated a course in international business. However, it seems that simply learning content and passing exams based on this content has not been enough to develop global leadership competencies in business school students (Ghemawat, 2011). A 2011 report sponsored by AACSB-International concluded that curriculum in business schools was inadequate in developing global competencies in business school students, and charged business schools to develop strategies to develop them in their students (Ghemawat, 2011: p. 232). This drive toward not just learning *about* competencies associated with global leadership, but to *develop* them in students most commonly has been attempted by utilizing one or a combination of the following approaches: 1) study abroad/short-term international business trips; 2) redesigning classroom instruction; and 3) focused global leadership training.

Study Abroad and Short-term International Business Trips

To increase experiential learning in relation to global leadership competency development, many business schools have begun to either support university- wide study abroad programs and/or design specialized international business trips that require learning deliverables from the business school students that participate in them. Study abroad programs have been reported to engender numerous positive outcomes in students in terms of awareness of global issues, intercultural communication skill enhancement, and intercultural development (Soria & Troisi, 2014). However, these outcomes can be variable in nature as "all study abroad programs are not created equal" in terms of rigor associated with degree of immersion, language learning expectations, time spent overseas, intensity of experiential learning, and quality of program intervention (Paige, Fry, Stallman, Jon, & Josić, 2010). That said, study abroad experiences generally have positive effects on the development of global skills and global mindset in students (Paige et al., 2010), and even short-term trips of four weeks or less have shown to produce positive global engagement outcomes (Perry, Stoner, Stoner, Wadsworth, Page, & Tarrant, 2016: p. 761). The larger problem, however, is that for many university students, study abroad programs are not feasible due to financial costs, negative biases and fears about international travel on the part of parents, friends, and extended family, or lack of interest in living and studying abroad (Mendenhall, Arnardottir, Oddou, & Burke, 2013). How can business schools meet the competency developmental needs of these students?

Redesigning Classroom Instruction

Some research indicates that well-designed on-campus learning methods can develop intercultural competencies as effectively as study abroad programs (Soria & Troisi, 2014). Mark Mendenhall (the second author of this chapter) has developed an approach to insert experiential learning into the traditional classroom based on principles from cognitive behavior therapy (Mendenhall, Burke-Smalley, Arnardottir, Oddou, & Osland, in press; Mendenhall et al., 2013). The vast majority of students at his university are not able to take advantage of the international business study abroad courses that his institution offers, so he developed this approach to give all students in his courses the opportunity to experience the process of developing global leadership competencies without going overseas.

At the beginning of the semester, students are taught about the global leadership competencies needed to be a successful global leader, and each student then chooses one competency that they desire to develop throughout the semester. With the assistance of the instructor, students develop individualized personal development plans that are based upon principles of cognitive behavioral therapy to help them strengthen the competency they select. Students are then required to implement their plans daily throughout the semester, and every Monday report via email to the instructor on the following issues: 1) how well they implemented their plan during the previous week, 2) insights they gained from their implementation efforts, and 3) how they will adjust their plan for the upcoming week based on the outcomes of the previous week. Then, "each week after reading their reports, the instructor gives them feedback to encourage and aid them in their efforts in the upcoming week. At the end of the semester the students are required to write an in-depth reflection analysis of their experience that helps to "bake-in" the competency development achieved throughout the semester. This process of combining cognitive behavioral therapy practice with intercultural competency development has produced outstanding results" (Bird, 2016: p. 1; Mendenhall et al., in press; Mendenhall et al., 2013).

Institutionalized Global Leadership Development

Some business schools are taking a more comprehensive approach to developing global leadership competencies in their students, going beyond a single-class focus to a more integrative approach that focuses on all the learning domains in the 70–20–10 learning framework. For example, while at CSU-San Marcos, Gary (first author of this chapter) was the director of the Global Business Management (GBM) curriculum. He built the Global Competencies Inventory (see Chapter 5) into the curriculum to ensure students could gain an awareness of their current strengths and weaknesses in intercultural competencies related to global leadership. The GBM students took the GCI in the "Leadership in a Global Context" course, and it became part of the analysis of their major leadership project in the course, which involved either creating a new but small organization of people quite different from the student or working within an existing one but with a new objective. The learning project involved a careful analysis of the success of the project and an explanation of why the results, which entailed a detailed analysis of their competencies and relationships with the others involved. Second, all GBM students are required to complete a foreign residency experience of at least two months. Some students do that via traditional study abroad courses, but most do a foreign work internship. As part of their foreign residency analysis (an in-depth report of their experiences in the residency), they are required to integrate their personal GCI results into their analysis of their experience to reflect upon and explain the challenges they had in adapting to the new culture and how their GCI results might help them to interpret and internalize the outcomes of their various learning experiences abroad.

The Bachelor of Science in International Business (BSIB) program at Northeastern University incorporates a comprehensive, multimethod approach to global leadership competency development that focuses on rigorous experiential learning. Students must meet the requirements of the undergraduate business curriculum but are also required to take traditional courses in foreign languages, history, economics and political science, all of which addresses the formal learning realm of the 70–20–10 framework. They also complete at least two 6-month, full-time, paid cooperative work experiences where they gain experience by taking on substantial work responsibilities. These "co-ops" help students build competitive resumes and establish a network of professional contacts (in essence, meeting the developmental learning needs in the 20 percent realm of the 70–20–10 learning framework). However, "the cornerstone of the BSIB Program features a one-year overseas immersion, referred to as the "international assignment" or "expatriate year," during which students complete one semester of study at a local university and a 6-month cooperative work experience, also in the host country. While overseas, course-work is conducted in the language of the host country (except for China and Japan, where the foreign language course is optional based on ability). This immersion experience fosters deep integration into the host country's culture and offers the opportunity of enhancing language fluency" (Northeastern, 2016). Prior to departure on their one-year international assignment, they are assessed on their intercultural competencies via use of the Intercultural Effectiveness Scale (IES), and results from the IES are used later to aid students' pre-departure preparation and are the basis of some of their personalized developmental goals during their international assignment as well. When they return to campus after their overseas stint, they re-take the IES to identify areas of growth gained from their international assignment. Evaluation of IES pre- and post-results by Northeastern faculty over the past six years shows this curriculum produces significant improvement in students' overall intercultural capability (Bird, 2016).

Another example of a comprehensive strategy for the development of global leadership in a business school is the Global Leadership Advancement Center (GLAC) at San Jose State University. There are three general domains with in its umbrella of operations: 1) knowledge creation and dissemination, 2) development and training, and 3) social innovation initiatives. GLAC developed curricula in the form of an Interdisciplinary Global Leadership & Innovation minor for undergraduates and a 3-course Advanced Global Leadership Certificate at the graduate level. One of the primary tools in the development and training area of the center is the GL Lab, an assessment center that serves students enrolled in global leadership courses, visiting groups of students from foreign universities, and SJSU undergraduates who participate in other GLAC programs. The

first global leadership assessment center of its kind, the GL Lab has educated over 1000 students in formal courses since its inception in Fall 2008. Evaluation data show that because of participation in the assessment center, students showed an increase in their global leadership competencies and intercultural expertise (Global Leadership Advancement Center, 2016: p. 1).

In addition to rigorous assessment center training, other experiential learning activities that take place under the auspices of GLAC include the Global Leadership Passport Program, Gateway Workshops that onboard passport students and serve as pre-departure training for study abroad students, and participation in social innovation challenge contests. For example, in the Global Leadership Passport Program students are able to "take advantage of San Jose State University's global and cross-cultural co-curricular activities and courses to develop a global mindset and global leadership skills. After participating in courses or workshops that help students assess their skill level, they design a personal development plan. Students earn required passport stamps in global leadership competencies for approved courses, programs, experiences, projects, and e-portfolio reflections. Once they earn the requisite number and combination of stamps and complete the post-test assessments, they are awarded a stamped passport that explains the program requirements and benefits to prospective employers. The passport demonstrates that students enter the workplace with a solid foundation that prepares them for global work" (Global Leadership Advancement Center, 2016: p. 1).

Space restrictions limit reporting the various measures many business schools around the world are taking to enhance the global leadership skills of their students. Suffice it say that there has been a sea change in business schools in terms of focus on developing future business leaders to work globally compared to just five years ago.

Conclusion

As the world becomes increasingly interdependent, complex, uncertain, and dynamic, the challenge to understand and operate within that world will become ever so difficult. Firms typically have responded to this environment by creating strategic allies in foreign countries to operate more easily in global markets. However, creating strategic foreign allies also increases the need to interact effectively on an operational basis with foreign counterparts in the strategic alliance. This requires managers who can understand and work with people who are different from them and who must work in a cultural milieu that is also different. Simultaneously, forging alliances with foreign firms can decrease the need to develop a keen understanding of that foreign culture, itself, because the strategic ally is better positioned to do so. This might only postpone or inhibit the probable necessity of mutual understanding.

Thus, global leadership training is essential. Unfortunately, the recognition of the need to train more global leaders far exceeds firms' current ability to identify and develop them. As more entrants come into the marketplace, we will need increasing numbers of global leaders. The more global leadership development training creates contrasts by confronting managers with different ways of being and doing, the more they will likely change and evolve to have a greater mental map of the world to achieve greater effectiveness and efficiency. This is consistent with the more recent trend highlighted by the examples of PWC and IBM in sending potential global leaders on short-term hardship assignments and McCall and Hollenbeck's (2002) finding that international assignments are the best ways to develop global leaders. This is a tough world in which only well-developed, global leaders will survive.

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Part IV

Global Leadership Roles

Leading Global Teams

MARTHA L. MAZNEVSKI AND CELIA CHUI

Most work in organizations today is done by teams. A team is a defined group of people working together to accomplish a joint task (Hackman, 1990; Kozlowski & Bell, 2013). There are many types of teams, varying by the type of boundary around the group of people and the degree to which they must rely on each other to accomplish the joint task. For example, in a new product development team at Boeing or Airbus, team members represent different functions, such as basic engineering and production, and work together over years in a highly interdependent way to develop and test a new product. In a sales team for Panasonic or Novartis, each salesperson has his or her own territory; team members interact with each other to share ideas and best practices and to work on a limited number of joint accounts. In a global auditing team at Ernst & Young or Deloitte, one auditor from each subsidiary's country develops the accounts for that subsidiary and submits the accounts to a managing partner. The members of this large global audit team interact very little with each other. The managing partner uses a small and representative inner team to bring together all the subsidiary accounts and create a single picture of the global client's operations.

Although teams have always been part of the organizational landscape, they have become increasingly important in the last two decades. Previously, the most important tool for managing people was the hierarchy (Leavitt, 2003; Weber, 1946, 1947): a set of nested levels of authority and responsibility. In a traditional hierarchy, organizations are divided into separate units: each unit has a boss who divides the unit's work into several pieces with a subordinate in charge of each piece; each of those subordinates does the same with his or her part of the organization's work, and so on. The hierarchy is a very simple way of managing people and work. Everyone's task is clearly defined, and everyone knows with whom to communicate about what.

However, hierarchies are notoriously inflexible and in today's era of globalization, they fall increasingly short. If the work requirements change—for example, if a supplier changes the specifications on a key component— hierarchies may not clarify who should adapt to the change. If the environment changes—for example, if customer demands shift from one product group to another or a new competitor arrives on the scene— hierarchies may not detect the shift soon enough, and resources are unlikely to be allocated appropriately. And if the task requires high levels of interdependence—for example, if basic development of a new drug should take into account how to manufacture the drug—hierarchies fail as they discourage communication across separate business units or functions. The traditional hierarchy, perfected in the first half of the 20th century, does not manage people to achieve results well in the dynamic and competitive environment of the 21st century.

Hierarchies must be supplemented with more informal modes of organization (for further discussions, see also Pfeffer, 1995), especially teams. Teams can be more dynamic and adaptable to change. They can be temporary, formed quickly to achieve a specific task and then disbanded afterward. Their membership can be fluid, including important skills as they are needed. They can coexist with other forms of organization; members of teams can and usually do hold other organizational roles simultaneously.

Any leader today must be both a good team member and good at leading teams (Biermeier-Hanson, Liu, & Dickson, 2015). Leaders at all levels of the organization are key members of coordination teams, project teams,

joint-task teams, and so on. They also find themselves leading such teams at their own level and below. Helping teams perform well, whether as a member or a designated leader, requires a sophisticated understanding of today's teams. And just as leadership itself is more complex in today's global environment than it was previously, teams themselves are also more complex.

In this chapter, we begin by reviewing what we know about team effectiveness in general: how teams combine the efforts of individual members to create strong results. The goal here is not to review team research completely, but to provide a representative review highlighting variables relevant to global teams. Then we identify the specific characteristics that differentiate global teams from the more common local variety, and apply the research to show how leaders can effectively overcome the barriers to realize opportunities. Next we briefly look at global teams in the context of connected global organizations. Finally, we discuss the implications for leaders themselves.

Effective Teams—Conclusions from Teams Research

Team research has converged around a clear set of factors that influence team performance, commonly referred to as the Input-Mediator-Output model (Lepine, Piccolo, Jackson, Mathieu, & Saul, 2008). Inputs include individual characteristics of team members, group level characteristics such as the task type, and organizational elements such as the resources and support for teaming. Mediators are team processes that members engage in, such as communication and conflict resolution, and emergent states or important dynamic conditions within teams, such as trust and cohesion. Outputs are indicators of performance, including quality of decision-making and implementation, development of individual members, and members' engagement with the organization (Hackman, 1990).

Inputs: Setting Teams Up for Success

Team research has identified three main structural inputs that most affect how teams interact and perform: the configuration of people on the team, the specificity and type of task, and the way the team is organized (Bresman & Zellmer-Bruhn, 2013; Lepine et al., 2008; Stewart, 2006). The research is extensive; here we summarize the most robust findings that build a foundation for leading global teams, as illustrated in Figure 9.1.

Team Composition

Teams need the right combination of skills and knowledge among members. This includes the right technical and process skills, as well as task-related, functional and geographical knowledge. It is equally important to have a mix of skills related to managing tasks, such as planning and driving towards milestones, and social skills, such as facilitating participation and resolving conflicts. It is clear that team composition is related to team effectiveness, such as influencing the level of team creativity and innovation implementation (Somech & Drach-Zahavy, 2013) and overall team performance (Woolley, Gerbasi, Chabris, Kosslyn, & Hackman, 2008). In reality, teams frequently have significant skill overlaps and skill gaps. Teams are often composed based on convenience rather than careful assignment, and sometimes the necessary skill combination is simply not available. Team members must assess the adequacy of their capabilities, and gaps should be closed by adding members or developing the skills or knowledge necessary through training or experience.

Defined Task and Objectives

It goes *almost* without saying that team members must know clearly what their tasks and objectives are, in order to achieve them (Kleingeld, van Mierlo, & Arends, 2011). Unfortunately, though, many teams do not understand their objectives well or do not agree on them. Sometimes this is due to lack of clear communication from leaders. The leader presents a briefing or mandate that is clear to him- or herself but is difficult or ambiguous to interpret from the point of view of the team. Often, team members have different interpretations of the task and objectives. For example, a marketing professional may think that a successful product launch is defined by high market share, while a finance professional may think it is defined by profitability; these two objectives are potentially conflicting, but many teams neglect to clarify common goals and definitions before working together.
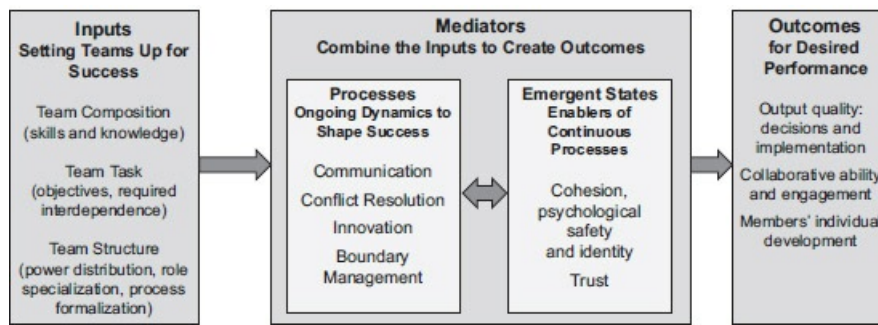
Figure 9.1 General Team Effectiveness Model, Highlighting Variables Salient for Global Teams

The degree of required (structural) task interdependence is one of the most important contingencies in effective teamwork. In a task with high structural interdependence, team members are obligated to rely on each other extensively. For example, this is necessary for creative marketing communications, product development and launch, systems implementation, and many other global team tasks. When high interdependence is in the task definition, team members tend to develop more collaborative processes and positive states (Pearce & Gregersen, 1991; Van de Ven, Delbecq, & Koenig, 1976; Van Der Vegt, Emans, & Van De Vliert, 2001). More important for leaders, structural interdependence amplifies the effect of other inputs on processes and internal states, such that different inputs are associated with more collaboration, learning, and positive affect when structural interdependence is high (Burke et al., 2006; Gully, Joshi, Incalcaterra, & Beaubien, 2002; Hu & Liden, 2015). Higher interdependence is particularly important in tasks with a need to combine information from different inputs (DeChurch & Mesmer-Magnus, 2010; Guillaume, Brodbeck, & Riketta, 2012), a ubiquitous condition in global teams. Team leaders in organizations often underestimate the degree of interdependence required to accomplish their team's task, and neglect to shape the necessary processes and states (see next section) for outcomes with higher interdependence. It is important at the outset to pay attention to these dimensions.

Team Structure

Like organizations, team structures vary along three dimensions (Zellmer-Bruhn & Gibson, 2006): distribution of power and responsibility, specialization of roles, and formalization of processes. With respect to hierarchy, some teams have formal leaders while others do not. Roles can be more or less specialized, and finally, processes can be more or less formalized. The three variables tend to be correlated, such that teams with a clear leader also tend to have more specialized roles and formal processes. Extensive research suggests that clear structure in teams is generally associated with positive outcomes (Hackman, 1990; Kozlowski & Bell, 2013; Stewart, 2006; Wageman, Hackman, & Lehman, 2005). A clear structure provides a context for psychological safety and effective processes, which supports basic team efficiency as well as more ambitious outcomes, such as learning and innovation (Bresman & Zellmer-Bruhn, 2013; Edmondson, 1999; West, 2012). Team leaders sometimes avoid implementing a clear structure, believing it goes against the notion of flexibility and fluid collaboration. However, it is much more effective for a team to have a clear structure and adapt it according to the needs of the moment than to have no structure at all.

Processes: Ongoing Dynamics to Shape Success

The two main categories of mediators that shape team success are processes and emergent states (Lepine et al., 2008; Marks, Mathieu, & Zaccaro, 2001; Mathieu, Maynard, Rapp, & Gilson, 2008). Processes are patterns of behaviors that teams enact, such as communication, conflict resolution, problem-solving, and monitoring. Emergent states are the team's shared emotional and cognitive beliefs about the team itself, such as psychological safety and cohesion. Processes and emergent states affect each other in a reciprocal way. For example, effective communication increases team members' beliefs in their ability to complete the task effectively (efficacy), which in turn affects members' willingness to resolve conflict quickly. There are countless processes and states which have been researched. Here we identify ones which have received the

most attention and at the same time are critical to the more complex context of global teams.

Processes: Communication, Conflict Resolution, Innovation, and Boundary Management

These are four fundamental processes that facilitate achieving results. The first two are more basic and fundamental and have been studied for decades, while the importance of the latter two has emerged with the context of more complex teams, including global teams.

Effective communication is the transmission of meaning as it was intended (Maznevski, 1994). Team performance is higher to the extent that each member understands the others' perspectives and the information brought to the team, and to the extent that all members are kept informed of progress in the team in a continuous way (Kozlowski & Bell, 2013; Wageman et al., 2005). Team members can only act in a cooperative way if they know what they are cooperating *about* and what they are contributing *to*. To accomplish this, communication must be an active process, with extensive questioning, checking, and paraphrasing from all parties involved. Many teams find that having a member responsible for facilitating communication is extremely helpful in ensuring effective communication.

Conflict is the expression of differences in opinion or priority due to opposing needs or demands (Tjosvold, 1986). The effect of conflict on a team is complex and research has been unravelling its effects for decades (De Dreu & Weingart, 2003; Jehn, 1995; Jehn & Mannix, 2001; Kostopoulos & Bozionelos, 2011). Conflict about the relationships in the team or about the team processes is almost always negatively related to the climate within the team and to team performance. Task-related conflict—disagreement and discussion about facts and priorities directly related to the task—is not necessarily negative, and can even enhance task performance (De Church, Mesmer-Magnus, & Doty, 2013; de Wit, Greer, & Jehn, 2012), especially for tasks at more senior levels of the organization and that are more multidimensional. It seems that teams need "the right amount" of conflict. Not enough conflict decreases performance because perspectives are not questioned or improved upon. Many teams assign a formal role of "devil's advocate" to prevent such groupthink. Too much conflict decreases performance because it prevents convergence on a decision and implementation, and teams that experience too much conflict can enhance their performance by assigning someone to facilitate and even mediate such conflict. However, no research has been able to determine exactly how much is "the right amount" of conflict.

Innovation and Creativity . Innovation is the development and implementation of new, valuable solutions. Innovation requires a combination of creativity and deep understanding of the set of challenges the innovation is trying to address (Anderson, Potocnik, & Zhou, 2014; Hülsheger, Anderson, & Salgado, 2009; O'Reilly III, Williams, & Barsade, 1998; West, 2012). Creativity is the consideration of a wide variety of alternatives and criteria for evaluating alternatives, as well as the building of novel and useful ideas that were not originally part of the consideration set. While composition has some impact on innovation, with diverse teams having more ideas, the most important determinants of innovation are the effectiveness of other processes, including communication and conflict resolution, and the emergent states that evolve in the team, such as trust and psychological safety (Barczak, Lassk, & Mulki, 2010; Edmondson, 1999; Gong, Kim, Lee, & Zhu, 2013; Somech & Drach-Zahavy, 2013) (see below). Many group techniques combine creativity with structured problem-solving to achieve high-quality innovation.

Managing Boundaries and Stakeholders. Most team tasks require extensive interaction between members and various parties outside the team. Effective teams must manage these boundaries well (Ancona & Caldwell, 1992). The three most important aspects of boundary management are resourcing the team, gathering information, and implementing solutions. These activities are characterized by a high need for knowledge management and transfer (Ancona, Bresman, & Caldwell, 2009; Bresman & Zellmer-Bruhn, 2013), and boundaries and stakeholders must be managed carefully. Effective teams map out the external relationships they need and strategically assign members to be responsible for different relationships on behalf of the team. Effective team leaders play a mediating role between the team structure and the way the team manages across its boundaries (Somech & Khalaili, 2014).

Emergent States: Enablers of Continuous Processes

Emergent states are beliefs and attitudes that team members hold about the team itself (Marks et al., 2001). They evolve dynamically as the group works together, based on the effect of group experiences. Current research on teams examines a plethora of team states, sorting out which are more important in different situations. Here we summarize the research on two fundamental states which are also especially important to global teams: cohesion and its components of psychological safety and identity, and trust.

Cohesion, Psychological Safety, and Identity

Cohesion, often referred to as social integration, is "the attraction to the group, satisfaction with other members of the group, and social interaction among group members" (O'Reilly, Caldwell, & Barnett, 1989: 22). It is one of the first and most basic states identified in teams, and captures a set of dynamics associated with general group functioning, collaboration, and coordination (Katz & Kahn, 1978; Kozlowski & Bell, 2013; Mudrack, 1989; Mullen & Copper, 1994). Cohesion covers a broad set of dynamics and can even be associated with negative outcomes like groupthink (Janis, 1972), which occurs when team members have such high cohesion they do not question each other or their own assumptions. More recent research, therefore, has sought to identify the specific elements of cohesion most important for team performance. Two are particularly relevant for global team foundations. First, psychological safety is a shared belief that the team is safe for interpersonal risk taking, and is the cohesive sub-state most associated with both caring for each other and satisfaction, on the one hand, and questioning assumptions and challenging for higher performance, on the other (Edmondson, 1999). It is associated with high levels of team learning and innovation, and is developed through effective communication, careful conflict resolution, and boundary management (Bresman & Zellmer-Bruhn, 2013; Edmondson, 1999). Second, social identity is the degree to which team members believe that group membership is an important and positive aspect of their definition of self (Ashforth & Mael, 1989). When individuals identify more strongly with a group, they engage in more participation and cooperation, share information, and coordinate more within the group (Ashforth, Harrison, & Corley, 2008; Ellemers, De Gilder, & Haslam, 2004). Like psychological safety, social identity is enhanced through effective communication, careful conflict resolution, and positive management of the boundaries.

Trust

Interpersonal trust is the extent to which a person is confident in and willing to act on the basis of, the words, actions, and decisions of another (McAllister, 1995). It is a positive attitude about other team members, specifically a belief that a team member would make decisions that optimize the team's interests, even in the absence of other team members. When team members trust each other, they allow themselves to be vulnerable; that is, they put themselves at risk of being hurt by the team because of their belief that team members would always try to act to help the team and its members. A long history of research on trust has identified two main forms. Cognitive trust is based on beliefs and expectations about reliability and dependability, while affective trust is based on emotional bonds and emotional reciprocity of care and concern (McAllister, 1995). When people trust each other, they are more likely to take risks for each other (Schoorman, Mayer, & Davis, 2007). Trust among team members tends to increase interpersonal cooperation and teamwork, thereby affecting team performance positively (Balliet & Van Lange, 2013; Jones & George, 1998; Schaubroeck, Lam, & Peng, 2011). Trust develops more easily among people who are more similar to each other, making it difficult to evolve as an emergent state in global teams (Chou, Wang, Wang, Huang, & Cheng, 2008; Hogg, Van Knippenberg, & Rast, 2012). It is important to remember that trust cannot be built without taking risks; team members can only demonstrate to each other that they will act in the team's interests if other team members let them take unsupervised actions.

Leading the Complex Dynamics of Teams

Team inputs, processes, and emergent states have been reviewed here in a relatively linear fashion. It may imply that a leader first designs the team according to structural inputs, then sets off initiating communication, resolving conflict, innovating, and managing boundaries, and inevitably positive emergent states such as psychological safety, identity, and trust evolve. Of course, the reality is much more complex. "Inputs" constantly change as membership, the task, and the environment change. Moreover, processes and emergent states affect each other in dynamic and sometimes surprising ways, especially as the team and environment change. Newer research captures these processes in more comprehensive ways (Hackman, 2012; Tannenbaum, Mathieu, Salas, & Cohen, 2012; Wageman, Gardner, & Mortensen, 2012). At the same time, these input and mediator factors provide a powerful set of guidelines for team leaders, articulating the main priorities for shaping effective global team performance.

Global Teams: More Barriers, More Opportunities

Global teams represent a subset of "teams" in general. While teams are groups of people working together to accomplish tasks, global teams are groups whose members represent different countries and/or whose tasks are multinational in nature. Everything described above with respect to teams applies to global teams, but global teams are more extreme. Global teams face higher barriers to effective performance, and it is much more difficult for global teams to engage effective processes and attain effective emergent states (Jonsen, Maznevski, & Davison, 2012; Pauleen, 2003; Wildman & Griffith, 2015; Zander, Mockaitis, & Butler, 2012). On the other hand, the characteristics and contexts of global teams provide more potential for high performance and for creating an important impact within organizations, economies, and societies. Global teams that perform well make a big difference (Lane, Maznevski, & DiStefano, 2014).

Global Teams Are Diverse and Dispersed

Two characteristics of global teams particularly differentiate them from teams in general, and both of them are inputs to the team model: their composition and their dispersion. (Wildman & Griffith, 2015). Both of these characteristics raise barriers and provide opportunities, as summarized in Figure 9.2. The opportunities hold out the promise of global team performance; they are mainly related to inputs and resources available to the group, and contexts in which to implement the group's output. The barriers are unfortunately mainly related to the mediators—both processes and emergent states—for turning inputs into performance. Below, each of these characteristics will be described and their implications for other inputs, processes, emergent states, and outcomes will be discussed.

Figure 9.2 Diversity and Dispersion: Overcome Barriers to Take Advantage of Opportunities

	Barriers	*Opportunities*
Diversity	Tendency towards:	Potential for:
	• Less effective communication	• Increased creativity and innovation
	• Increased conflict	• More complete and comprehensive perspectives, stakeholder coverage
	• Lower alignment on task	
Dispersion	Difficult to achieve and maintain basic team conditions, due to:	Potential for:
	• Limited communication	• More complete and comprehensive perspectives, stakeholder coverage
	• Invisible relationships	• Focused, objective, balanced communication
	• Logistical challenges	

Diverse Composition

Global teams, on average, have much more diverse composition than teams in general do (Schneider & Barsoux, 2003). This diverse composition has substantial implications: it provides great potential for higher performance by promoting creativity and innovation (Albrecht & Hall, 1991; Payne, 1990) and by bringing in new perspectives and a broader set of external stakeholders; at the same time, it makes smooth team interactions much more difficult. Empirical research has shown that while work team diversity influences communication behaviors that can have negative effects on internal team dynamics, it is also beneficial to team performance (see Jackson & Joshi, 2011 for a review). Diverse teams therefore tend to perform either better or worse than homogeneous teams, depending on how they are managed (DiStefano & Maznevski, 2000; Earley &

Mosakowski, 2000; Staples & Zhao, 2006; Thomas, 1999). Interestingly, the most common reaction to diversity is to suppress it (Richard & Johnson, 2001; Tsui & O'Reilly, 1989), that is, to focus only on similarities. This moves a team from low-performing or value-destroying, to the medium performance of homogeneous teams—an improvement, but still misses the potential offered from diversity. In a meta-analysis, Stahl and colleagues found no direct impact of cultural diversity on team performance; however, they found several significant mediators and moderators such that cultural diversity had both a positive and a negative impact on mediators and therefore outputs (Stahl, Maznevski, Voigt, & Jonsen, 2010).

The Profound Effect of Cultural Diversity

Although all types of individual differences affect teams, cultural diversity has a profound impact on many different aspects of teamwork (Thatcher & Patel, 2011). We learn about our culture through years of experiences in families, schools, communities, and other cultural institutions, and people tend not even to be aware that they hold these norms related to their cultural identity. Different cultures even use different metaphors to describe teams; for example, some cultures think of teams as families, while other cultures compare business teams to sports teams. Quite simply, people from different cultures bring different expectations to the team, and they are often unaware that they do so. Comparative research shows us that although all cultures use teams, cultures differ from each other quite widely in terms of how they tend to work in teams (Zellmer-Bruhn & Gibson, 2006; Zhou & Shi, 2011).

Global Teams Are Also Diverse in Other Ways, Resulting in Faultlines

Global teams are diverse in terms of nationality, but because they are generally created to address strategic tasks, they are also usually diverse in terms of function, and their members often represent business units with different priorities and needs. This multifaceted diversity means the potential for high performance is even greater than for teams with less diversity, although it is difficult to achieve. Gender, race, function, and other differences that have both surface- and deeper-level implications combine with culture to create complex team dynamics (Stahl et al., 2010). These differences can be exacerbated by what is called faultlines (Lau & Murnighan, 1998): rifts in teams that are created by alignment of different types of differences. For example, a global team may consist of two production engineers, two marketers, and two R&D scientists, from the US, Japan, and Germany. If the engineers are from the US, the marketers from Japan, and the scientists from Germany, then the functional and cultural divisions are aligned and there are likely to be three sub-groups within the team who find it very difficult to collaborate. On the other hand, if each of the functions is represented by people from different countries, the sub-groups will be less evident and differences will be easier to bridge (Lau & Murnighan, 2005). The strength of a team's faultlines affects its performance above and beyond the impact of diversity itself, although empirical research in this area is still emerging (Thatcher & Patel, 2011, 2012).

Diverse composition is an obvious characteristic of global teams, and in fact these teams are usually created to take advantage of at least one aspect of diversity, whether geography, function, or some combination. But global teams are usually even more diverse than intended, and the combinations create nonlinear and challenging effects. The impacts of this input on processes and emergent states are often underestimated or misunderstood by managers.

Dispersed Configuration

In addition to diverse composition, global teams are typically characterized by dispersed distribution: their members are usually based in different locations, often spanning many time zones and climates, and many members travel frequently. Communication and coordination, therefore, present major challenges for global teams. On the other hand, due to their dispersion and travel, members have access to a wide variety of resources and networks, and therefore can provide a broader variety of inputs to the team and links with its

stakeholders.

Dispersed teams, who rely on information and communications technology to conduct much of their work together, are often referred to as "virtual teams." Although research in this field is relatively new (compared with teams research in general), it has been extensive. Early research compared virtual teams with face-to-face teams and, in laboratory situations, generally found that face-to-face teams outperform virtual ones. This research identified barriers raised by communications technology and how to overcome them. Later research has accepted that virtual teams are inevitable and valuable. And because companies create virtual teams whenever there is a need to bring together people who are geographically distributed, the tasks are often different from those assigned to face-to-face teams. Most of the body of research on virtual teams examines their dynamics without comparison to face-to-face, and identifies the key factors contributing to their performance (see Jonsen et al., 2012 for a review).

Global Team Inputs: Challenges of Role Agreement and Task Complexity

Diversity and dispersion are team inputs, of course. But because both affect so many aspects of social norms and interaction, they also influence other more immediate inputs of teams in significant ways.

Cultural Diversity and Role Agreement

One of the most important differences among cultures is related to how team roles are defined and managed (Maznevski & Zander, 2001). For instance, in more hierarchical cultures, such as Japan and Brazil, it is generally assumed that a team must have a single leader and that the leader must have decision-making authority within the team. If the team is not managed this way, it is believed, then the team will devolve into chaos and inefficiency. In other cultures, such as Scandinavian cultures, it is assumed that team leadership should be more emergent, fluid, and shared, with different people taking the lead at different points in the team's task. It seems that members of all cultures prefer that team leadership is shared among members, but members of cultures that are less hierarchical have a stronger preference for broad sharing (Herbert, Mockaitis, & Zander, 2014). More individualistic cultures, such as America and France, tend to define specific task-related roles clearly so as to identify individual areas of accountability. In these cultures, team members are comfortable differentiating individual performance within the team, rewarding some more than others. More collective cultures, such as Singapore, Malaysia, and Thailand, tend to define roles more fluidly, with people contributing to the team as they can and with higher accountability for the group than for individuals. In these cultures, teams prefer to reward everyone on the team the same. These differences, of course, affect the ease with which team members from different cultures agree on roles within the team. The agreement on roles, in turn, influences significant processes such as communication and conflict resolution, and provides context for assessing emergent states such as cohesion and trust.

Team Dispersion and Task Complexity

Global teams generally work on more complex tasks with less structure and high interdependence requirements (Gluesing & Gibson, 2004). When team members are also dispersed, these task inputs present strong challenges. One critical role of leaders is to provide structure for the task, so team members have a more clear frame in which to engage in processes and build emergent states (Zayani, 2008). The structure of the task affects how work relationships develop, and how frequently team members communicate with each other. This in turn influences trust and shared culture (Earley & Mosakowski, 2000; Hinds, Liu, & Lyon, 2011). Members' very different knowledge contexts can diverge from each other further over time, hindering the task, or can converge in ways that help the task (Baba, Gluesing, Ratner, & Wagner, 2004). Leaders can counteract the dispersion effect by helping team members get to know each other, and interact in a way that is consistent with the level of interdependence and structure required by the task (Lampshire, 2009). The negative effect of faultlines created by dispersion can be ameliorated if the team is structured with a strong results orientation

(Bezrukova, Thatcher, Jehn, & Spell, 2012), and when leaders pay attention to the diverse contexts in which members are located (Baba et al., 2004). These leadership behaviors improve team processes such as communication and conflict resolution, and facilitate the development of emergent states, such as cohesion and trust.

Global Team Processes: Barriers to Effective Team Dynamics

Global teams are complex, and there are many barriers to effective processes and emergent states, as well as many opportunities. Active leadership, therefore, is critical for facilitating the processes and states (Small, 2011).

Communication: Understanding Differences, Restricted Modes

Cultural diversity and dispersion's most obvious impacts are on communication in teams, and indeed most research on global teams examines this dynamic.

Naturally, people from different cultures speak different languages. Even if there is a common business language—likely English—team members have different levels of fluency, and not everything they are thinking in their native language can be translated into the linear structures and often comparatively imprecise vocabulary of English. Recent research has begun to study the impact of language diversity on communication in global teams. When team members use different languages, subgroups are created and faultlines are reinforced (Kulkarni, 2015). Apart from potential misunderstandings, negative emotions can be provoked by language barriers, including anxiety and resentment (Tenzer & Pudelko, 2015). Power dynamics can be reflected in language dominance, leading to subgroup imbalances in task input (Hinds, Neeley, & Cramton, 2014). Leaders can reduce the impact of language barriers by reducing attention away from them, reducing the negative appraisal of people who speak different languages, and counteracting the power imbalances with other sources of power.

Aside from language differences, people from different cultures expect and engage in different norms for communication. In some cultures, such as many Latin cultures, it is acceptable to express one's ideas at any time, even speaking at the same time as others and with openly expressed emotion; in other cultures, such as many East Asian cultures, it is only acceptable to speak when asked a question, and it is never acceptable to speak at the same time as others—silence is preferable. In many cultures, showing excessive emotion is considered inappropriate. For example, members of collective cultures tend to be more sensitive toward the affective influence of their team members than those in individualistic cultures (Ilies, Wagner, & Morgeson, 2007). With such widely varying norms for communication, it is difficult for culturally diverse teams to communicate effectively, to send and receive meaning as it was intended.

Communication over technology is much less rich than face-to-face communication, even if visual technology such as video conferencing or webcams are used. Subtle nonverbal communication, such as body language and tone of voice, is greatly constrained by technology. Virtual teams therefore find it more difficult to communicate effectively, especially complex and context-sensitive information regarding the task itself, and emotional information regarding team processes (Cash-Baskett, 2011; Cramton & Webber, 2005). And even though most managers conduct a high proportion of their teamwork virtually, most report that they do not like or prefer this mode of communication. It is a "necessary evil."

More specifically, tacit knowledge is extremely difficult to share over technology (Cramton & Webber, 2005; Maznevski & Chudoba, 2000). Tacit knowledge is the type of knowledge that is contextually embedded and cannot be articulated explicitly. Explicit knowledge can be written down in manuals, spreadsheets, patent applications, and so on, and can be transferred relatively easily from one person to another in such forms. Explicit knowledge is copyable and inexpensive; in fact, it can be found free of charge all through the Internet. Tacit knowledge takes explicit knowledge and puts it in context, in use. Tacit knowledge comes from experience and incorporates wisdom and judgment. It is not copyable, and it tends to be expensive. For

example, a chemical engineer just graduated from university has high levels of explicit knowledge: he knows all the latest techniques and applications for combining elements; but he has less knowledge of the complex contexts of different applications. A chemical engineer who has been working on field applications for fifteen years may have less explicit knowledge than the young graduate (that is, she may not know all the latest techniques), but she has more tacit knowledge about how different compounds react to the multitude of variables in different manufacturing contexts. Tacit knowledge is best transferred during face-to-face interactions, which allow for questions, dialogue, and the richness of nonverbal communication. Therefore, if a global team's task requires high levels of tacit knowledge transfer and development, the team will find it challenging without meeting face-to-face (Sarker, Ajuja, Sarker, & Kirkeby, 2011).

More Conflict, More Difficult to Resolve

Global teams do experience more conflict (Stahl et al., 2010), and both cultural diversity and dispersion influence how global teams detect and address conflict. For example, the different perception of power across cultures can influence the type of conflict resolution strategies used (Kaushal & Kwantes, 2006). Some cultures, such as many Nordic cultures, show respect for each other by expressing conflict only indirectly (it is important not to hurt each others' face or feelings); while others, such as the neighboring Dutch, show respect by expressing disagreement openly (it is important not to waste each others' time on trivial agreement). With such widely varying norms for showing respect in conflict resolution, it is difficult to resolve conflicts constructively. However, when global teams face differences openly and constructively, their different perspectives can be instrumental to resolving conflict (Tjosvold & Yu, 2007).

Creativity and Innovation—Optimism for Diversity and Dispersion

Diverse teams are more creative than teams with low diversity—the former identify more ideas, and more criteria for evaluating the ideas (Stahl et al., 2010). Moreover, collaborative technologies can also lead to increased creativity and innovation in dispersed teams (Cramton & Webber, 2005; Hinds et al., 2011). Achieving innovation in global teams has the same foundation as "normal" teams, although it is more challenging. Global teams who work toward a clear and compelling challenge with involvement and strong information flow achieve strong innovation results (Kerber & Buono, 2004). Teams whose members have more of a global mindset are more innovative and perform better, and transformational leadership in the team is an important predictor of this global mindset and innovation (Gagnon, 2013). Just as for co-located teams, psychological safety is a strong predictor of innovation in global teams (Gibson & Gibbs, 2006). Global innovation teams that manage communication and conflict well in a cycle that creates learning achieve high levels of innovation success (Bouncken & Winkler, 2010).

Boundary Management and Other Processes—the Bright Side of Global Teams

Global teams, by definition, span boundaries already within the team, and face more boundaries outside the team, than "normal" co-located teams. Much of the research on global teams explicitly or implicitly addresses boundary-spanning within the team. However, very little research examines the role of boundary management outside the team, and this is a field where more research is needed (Butler, Zander, Mockaitis, & Sutton, 2012; Zander et al., 2012).

Processes in global teams reinforce each other for higher performance. For example, teams are characterized by learning and adaptability when their leaders facilitate strong communication, boundary-spanning, goal-setting, and task-related skills in the context of managing cultural differences (Furukawa, 2010). Given the complexity of global teams, leaders must deal with paradox and contradiction in team members' expectations and norms, exhibiting a variety of leadership styles simultaneously to facilitate strong processes (Leidner, 2002).

Global Team Emergent States: Developing Positive Attitudes and Beliefs

Positive emergent states are more difficult to build in multicultural teams, and global leadership is critical for enabling good processes to build the states (Stahl et al., 2010). Nevertheless, social integration and trust can be built over time, with predictable positive effect on performance (Kiely, 2001).

Cohesion, Identity, and Psychological Safety Are Threatened by Diversity and Dispersion

Members of multicultural teams tend to be very motivated to work in these teams and enjoy the team experience, yet still find it difficult to develop strong cohesion, identity, or psychological safety. Global teams inevitably feel tensions around which norms to adopt, and this affects their cohesion, identity, and psychological safety. During crisis, cohesion and psychological safety are especially important for global team motivation and cohesiveness, which in turn leads to motivation to engage with the team (Jenster & Steiler, 2011). Fortunately, culturally intelligent leaders leverage their abilities to develop a synergistic cultural strategy to bring people together for higher-level goals and objectives, which increases team integration and shared identity (Dean, 2007). Global teams that develop a "hybrid culture" seem to develop more cohesion and social integration. A hybrid culture is a shared identity and set of norms that is specific to the team and results from the combination of different norms from team members' "home" cultures (Earley & Mosakowski, 2000; Hinds et al., 2011).

Trust—Starts Fast, Builds Slowly

Global teams experience great challenges overcoming the barriers to trust raised by diversity and dispersion. At the same time, trust is imperative in global teams, because of the need to operate separately in different contexts most of the time (Mach & Baruch, 2015).

Interestingly, dispersed teams often begin with "swift trust," or a willingness to act based on cognitive trust even without experience (Jarvenpaa & Leidner, 1998; Jarvenpaa, Shaw, & Staples, 2004). Reliability and predictability can be developed virtually through task experiences, and global teams should set quick deliverables and communication norms in order to build trust. The deep trust that allows a team member to be vulnerable to others is extremely difficult to build without personal contact.

Multilanguage teams face massive barriers to the development of trust, and the negative emotions and power imbalances associated with language differences (see above) can even prevent the development of trust (Tenzer, Pudelko, & Harzing, 2014). In global teams with high diversity and broad dispersion, consensus-oriented communication and conflict resolution and a collective team orientation can help to overcome diversity and dispersion to build trust (Mach & Baruch, 2015). It is helpful for global teams to experience pieces of the task quickly, to develop reliability and create a foundation for trust. For example, the more quickly team members are assigned different aspects of information-gathering then come together to share initial results, the more "data" team members have about each other to build roles, processes, and eventually trust.

Enabling Positive Outcomes in Global Teams

When global teams overcome the challenges inherent in their composition and dispersion with strong processes and emergent states, they perform well and achieve outcomes beyond what co-located, less diverse teams could do (DiStefano & Maznevski, 2000). Research shows that multicultural teams who develop a collaborative and cohesive climate outperform homogeneous teams (Stahl et al., 2010).

Realizing the Potential from Diversity Through Knowledge and Communication

To turn the input of diversity into high performance, global teams must explicitly address and manage both their similarities and their differences; they must both create social cohesion and acknowledge and respect individual differences (DiStefano & Maznevski, 2000; Lane et al., 2014). Synergy takes enormous energy from

the leader, clarifying processes and engaging in discussion around differences (Stumpf & Zeutschel, 2001). Diverse teams that focus only on their differences create great rifts within the team and find it difficult to converge or align. Teams that focus only on their similarities, though, in an effort to maximize social cohesion, also under-perform—they do not take advantage of their differences. Moreover, their suppressed differences eventually arise in the context of deep and personal conflicts, hurting the team and its performance.

To enable effective processes and high-quality emergent states, it is helpful for team members to map out their similarities and differences, especially with respect to culture, function, or expertise, and business unit perspective. Mapping is creating a picture of the team's diversity, using charts and where possible, data from personality or cultural dimension assessments. If done with an open mindset and motivation, this mapping process itself helps to create cohesion and trust as team members explore their different perspectives and common connections. The team can then identify in which areas it is easily aligned and areas where different members will contribute differently. Teams should develop tight alignment around task-related issues, such as the definition of the task and objectives, while encouraging and respecting diverse perspectives around contributions to the task and ways of getting it done and social needs within the group.

Once the differences are mapped, then team members must bridge these differences using effective communication techniques. Especially important is decentering, or speaking and listening from the others' points of view. For example, an American, through mapping, may understand that her teammates from East Asia prefer to express conflict indirectly. However, she may not be able to bridge that difference by decentering: she may say, "I know you find it difficult to be direct in conflict, but it's okay to do it with me, I won't be offended." If the American were truly decentering, she would find ways to ask questions and check for agreement that allow the East Asians to express conflict indirectly. Referring to a decision about direction, for example, she might ask a teammate "How do you think people in your office would react to this decision?" This question would allow a teammate to express his own disagreement indirectly as a hypothetical third person's opinion and not his own. Equally important in bridging is refraining from blame. Problems and miscommunication in diverse teams are inevitable, and it is a natural reaction to blame others for the problem, or to attribute low motivation or other negative characteristics to them. In effective multicultural teams, team members do not blame each other when such problems arise but engage in creative dialogue to try and understand which types of differences contributed to the misunderstanding. In this way, effective teams turn problems into opportunities for learning about each other.

Leveraging Dispersion by Structuring the Task and Process

When working over technology, one important implication of the research findings is to maintain discipline and focus around the task and processes. Face-to-face teams can use the immediacy of personal contact to create a sense of urgency and momentum; virtual teams must create it deliberately themselves. Identifying roles, developing a project plan, monitoring progress—all the processes discussed earlier in this chapter—must be accomplished with great deliberation in virtual teams. Interestingly, teams who develop good discipline and focus find that working over technology can actually facilitate team performance, rather than hinder it. When meeting times are limited, people tend to prepare more effectively and stay focused throughout the meeting. When nonverbal cues are limited, people focus on the spoken or written word and remain much more task focused. Because of this, virtual teams often have lower levels of personal conflict than face-to-face teams. The use of structured communication tools such as conference calls, emails, and web meetings tends to decrease the dominance of extraverts and native language speakers, giving each member more of a chance to participate in a way he or she feels comfortable. This "performance bonus" can only be achieved, though, when the team has built relationships, shared tacit knowledge, and developed discipline and focus (Malhotra, Majchrzak, & Rosen, 2007).

The question is not, then, "should we meet face-to-face?" but "when should we meet face-to-face, and what should we do with that time?" Most teams believe they should get together at the team's launch, then whenever there is a crisis, conflict, or a major decision point: "This team is important, and so whenever we

really need to see each other, when things aren't going well, we take the effort to jump on a plane and see each other." In fact, high-performing teams do something quite different. They schedule regular meetings and stick to the schedule, for example meeting once every three to four months for two days each time. They create a team heartbeat with a regular rhythm. During their face-to-face meetings, they do not present sales reports or simple updates; instead, they engage in discussions and actions to build shared tacit knowledge and strong relationships. They might visit customers or suppliers together, work on an innovation process, or share cases about best practices or reviews of failures. These activities pump the team equivalent of oxygen through the team. Research has shown that teams who have a strong heartbeat can manage all other tasks virtually in between their face-to-face meetings and that this is both less expensive and more effective than getting together "whenever we need to" (Maznevski & Chudoba, 2000).

Which technology is most effective? Virtual teams often search for the "one best technology" that will solve all the members' challenges. So far, though, that technology has not yet emerged. Some recent advances such as voice and video over broadband Internet hold promise, as they add richness to normally sparse electronic communication. However, global teams usually face different infrastructures in different countries, company firewalls, people traveling, and other complications that make it difficult for them to rely on these advances.

Effective virtual teams use a range of technology, matching different technologies to different aspects of the team's task. Collaboration technologies facilitate work together and range from straightforward emails to shared document and virtual meeting applications. Interestingly, high-performing virtual teams that use collaboration technologies well can outperform face-to-face teams, by using the features to leverage diversity and dispersion (Hinds et al., 2011).

For example, such global teams might use email for asynchronous communication, phone for one-to-one discussions, web meetings for joint discussions (some members using the phone and others using the Internet for the voice aspect), and a shared workspace for keeping documents. They might also combine or sequence technologies in specific ways; for example, a good technique for communicating effectively across cultures is to first exchange email background about a topic, then to discuss it on the phone to develop a dialogue with questions and answers in real-time, then to follow up on email to ensure that the main points were shared. In addition, high-performance teams also take team members' personality characteristics into account and match technology with personal preferences well (Jonsen et al., 2012). Recent research shows a relationship between technological communication, personality characteristics, and performance (Jacques, Garger, Brown, & Deale, 2009; Turel & Zhang, 2010). More practically, when choosing technologies, teams should select ones (and provide training if necessary) that all team members can use and that will be supported as needed.

Connected Teams Create Global Organizations

Today's multinational organizations typically share some negative characteristics, including impersonality and heavy complexity. Multinationals are large and distributed, and it is often difficult for their members—especially those outside of headquarters—to relate to other parts of the company. Moreover, the use of virtual workers is becoming much more common, such as salespeople with independent territories who only see another member of their own company a couple of times a month or even less. The complexity also makes these organizations heavy and unwieldy, and managers have difficulty getting information where it is needed, when it is needed. Many senior managers today are trying to learn how to motivate people and share information in this difficult situation, to maintain commitment and collaboration so that the opportunities of globalization will not be lost under the burdens. Effective global teams have some important "side effects" related to creating global organizations. "Connected teams" refers to global teams who pay attention to and nurture these higher-order benefits.

First, members of effective global teams tend to feel more committed to the organization as a whole than do people who are not members of such teams. When people have personal and performance-related connections with others in different parts of the organization, those other parts of the organization seem less distant and more real. Team members make the organization more tangible for each other. This may seem trivial, but for a leader trying to enhance and coordinate performance in a multinational organization, this commitment to the

company and the individuals within it goes a very long way.

Second, most managers today are members of two or more global teams. As we discussed at the beginning of this chapter, global teams often cross the hierarchy and join people from different parts of the organization. Because of this, the multiple global teams that each manager is part of tend to cross different parts of the company. Each manager (team member), therefore, is a potential conveyor of knowledge across boundaries, and global teams can be conduits for knowledge sharing and organizational learning. This perspective is summarized in Figure 9.3. As for all other potential benefits of global teams, this knowledge sharing does not happen automatically. In fact, members of global teams tend to focus on the task at hand—which is difficult enough—and not pay attention to passing on knowledge about other aspects of company performance. But as global teams start to master their own task their conversations often turn to "what else is happening at your end?" Effective global leaders and teams encourage this learning, and in fact sophisticated multinational companies see its advantages and facilitate it deliberately.

Most managers are on two or more distributed teams, but tend to see these as separate teams or matrixed teams. This is typically how connected teams are shown, emphasizing the distinct nature of the different teams:

For example, person A is on the "USA and Canada" team, and also on the "Marketing" team.

	USA and Canada	Latin America	Europe	Asia	Middle East and Africa
Marketing	A	F			S
Production	B		J	N	
Logistics	C	G	K		T
R&D	D		L	P	
Finance	E	H	M	Q	U
Call Centers				R	V
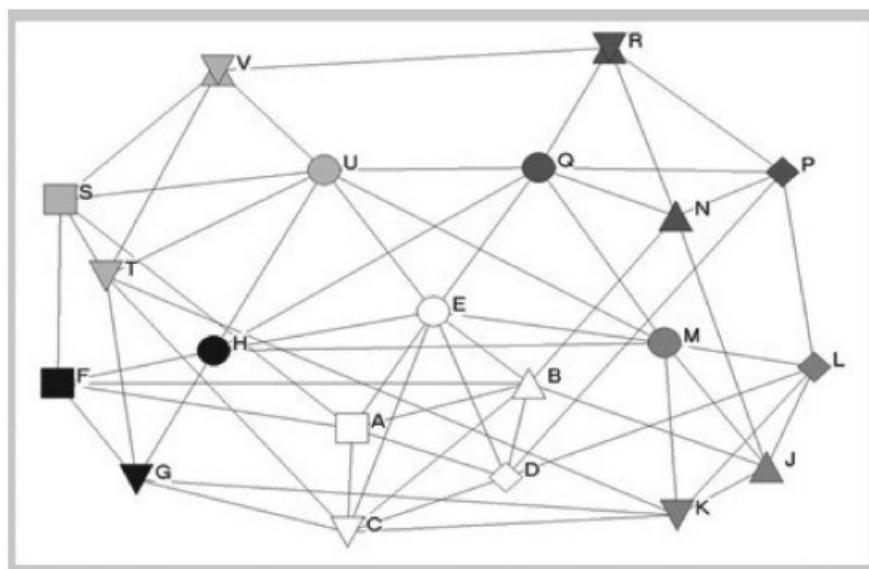
Figure 9.3 Connected Teams

Here are the same teams shown as a network. Shapes the same shade of gray are in the same geographical team, and the same shape are in the same functional team. This network emphasizes the interconnections between team members and highlights the opportunities for learning and distribution of knowledge.

Global Teams: Worth the Effort

In sum, diverse composition and dispersed configuration raises enormous barriers and opportunities for global teams. Team members are often motivated by this extra challenge, especially at the beginning of a team's life. Working with people in different locations adds variety and new perspectives, and many people find it inspiring to connect with people in other places. By connecting global teams with each other, a large organization can become more human and meaningful, while also learning from this broader configuration. Effective global team leaders can take advantage of momentum to get the team working well together and, using the findings discovered by research about global teams, can turn the challenges into opportunities for high performance.

Leading Global Teams: Advice to Leaders

We began this chapter by arguing that effective global leaders must be good both at being global team members and at leading global teams. Throughout this chapter we have identified the characteristics of effective global teams, and global leaders can use the ideas in the chapter as somewhat of a checklist:

Is the leader paying attention to basic inputs, processes, and emergent states?

Does the leader have a good understanding of the team's diversity (especially cultural) and dispersion, and the implications of both?

Is the team overcoming barriers to communication and other processes, to capture the opportunities inherent in its composition and configuration?

Are team members building cohesion and trust through experiences working together, whether face-to-face or virtual?

Are the members leveraging the team as a connected team throughout the organization?

Every global team is different, and therein lies the importance of leadership (Curry, 2015). There are no hard and fast rules about global teams. All global teams should develop trust and respect, and the path for doing that in each team is different. All global teams should be innovative, but the focus of their innovation, the end-user, is different. All global teams must manage external stakeholder relationships, but all have different sets of stakeholders. And so on.

Global and multinational leaders are generally seen to be responsible for defining the goals and direction of the team, organizing and supporting the team in accomplishing their goals, and guiding the implementation of their goals (Zaccaro, Rittman, & Marks, 2002). They must help the team adapt to the environmental constraints including globalization, the different local contexts, and usually a matrix organization (Tworoger, Ruppel, Gong, & Pohlman, 2013). Team leaders who communicate well can mitigate the negative effects of geographical differences, and research suggests that team leaders should communicate more regularly with their globally dispersed teams as well as create team norms that encourage communication among team members.

In global teams, the traditional leadership role tends to be distributed across more people than in traditional teams (Jonsen et al., 2012). In traditional teams, the "leader" tends to be the hierarchical head of the team, the meeting chairperson, the discussion facilitator, the decision-maker, the discipline enforcer, the direction-setter, and often other roles as well. Global teams are too complex and dynamic for one person to take on all of these roles. Experienced leaders of global teams either assign some of these roles to others or facilitate the emergence of multiple leadership roles within the team. This is yet another complexity for leaders of global teams, but as with diversity and distribution, it creates an opportunity for higher performance if well-managed.

This infinite variety of teams and the ambiguity of leadership roles prevent the checklist from being applied like a recipe. It is more like a field guide of which characteristics to pay attention to and which leadership tools might be most effective in different situations. The application is up to the leader, who must match the tools with the situation, including the combination of members, task, and external stakeholders. This implies that leaders of global teams must constantly observe and check the condition of the team, monitoring also its context (which includes cultural contextual awareness) and situation.

As emphasized elsewhere in this book, cultural competency is important to global team leadership. Studies have shown a positive relationship between multinational team performance and the degree of cross-cultural competency of their leader (Matveev & Nelson, 2004). For example, individuals who are high on cultural

intelligence, global identity, and openness to cultural diversity were found to emerge as global leaders on global student team projects (Lisak & Erez, 2015). One way of increasing cultural awareness is international experience: team leaders who have had international experience are likely to possess a higher level of cultural competence and empathy (Caligiuri & Tarique, 2011). A team leader's cultural intelligence has been shown to influence team members' perceptions of leader performance and team performance (Groves & Feyerherm, 2011). Naturally, leaders who can communicate better with their global followers will be better able to influence the motivation of their team members to exploit, explore, and transfer knowledge within the team.

Importantly, global teams are excellent arenas for developing global leadership skills (Maznevski & DiStefano, 2000). Just as all the global leadership competences and perspectives are important for leading global teams, so they can be developed through experience in global teams. Global leaders encourage meaningful engagement, capture knowledge, and disseminate it while the team is working (Caligiuri, 2015). High-performing global organizations assign emerging global leaders to global teams to support their learning journeys through stretch challenges, peer-level collaborations, and feedback and support (Caligiuri, 2015).

Like global leadership in general, leading global teams is a craft that combines the science of conditions and opportunities in teams—the checklist—with the art of applying the right processes at the right time. Leaders who are open to and careful about learning will develop the skills needed for this craft.

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Global Leadership Knowledge Creation and Transfer

ALLAN BIRD AND GARY R. ODDOU

After five years performing at a high level, an expatriate manager was transferred back from his assignment in Bonn, Germany, to his firm's New York headquarters. He had grown significantly and had acquired an extraordinary amount of knowledge. He had developed an extensive understanding of German banking regulations and practices. He had developed a far-flung network of contacts—people who could open doors, provide counsel, or solve problems. Moreover, as a result of this assignment, he had a deeper understanding of what the company was trying to accomplish with its global strategy, and he saw ways to more effectively and efficiently implement this strategy in Europe. He was poised to take more of a leadership role by both using what he knew and sharing it with others.

To his surprise, upon his return to New York, he was put on a six-month temporary assignment assisting in the training of new employees in the US. His superiors appeared to have little idea of how to capitalize on his German experiences within the context of existing training programs, nor could he identify ways to apply his hard-won insights within his new assignment. By the time he received a longer-term assignment working with African subsidiaries, a large portion of the learning acquired on his prior assignment had eroded. For instance, his German network of friends, so critical to the firm knowledge base there, had already begun to dissipate. Key contacts had moved or were no longer in position to help him or the company. As a result of the poor management of his transition, he developed negative feelings toward his company, and his motivation to help and apply his learning also dissipated.

The purpose of this chapter is to acquaint you with the role of knowledge creation and transfer in global leadership. Many models of global leadership competency (cf., Bird & Osland, 2004; Black, Morrison, & Gregersen, 1999; Brake, 1997; Kets de Vries & Florent-Treacy, 1999) emphasize the important role that knowledge plays in effective leadership. Recently, Caligiuri and Bonache (2016) found that the reasons for global mobility of personnel are less to control operations and more to develop people and the organization to reflect a global mindset. Surprisingly, this aspect of global leadership has not been well researched. This chapter addresses the issue of knowledge creation and development and also explores the transfer of knowledge. The transfer of knowledge is considered both in terms of the individual—the application of previously acquired knowledge to new situations—and the organization—the interest and receptivity of the organization to the capture and use of knowledge the repatriate might have acquired.

Careers, Development, and Knowledge Creation

In this section, we explore the relationship between knowledge creation and the development of a knowledge capability necessary for effective global leadership. We begin by reviewing Nonaka's theory of knowledge creation and then link it to global leadership development.

In 1994, Bird proposed that a knowledge perspective be used to better capture the significance of career experience and development in career research. He argued that the traditional definition of career as "the evolving sequence of a person's work experiences over time" (Arthur et al., 1989: 8) ignored the essential substance of a career. He reasoned that type, duration, length, and sequence of work experiences were but outward markers of a career, and that a more meaningful understanding of careers could be constructed by focusing on the knowledge that was accumulated or discarded over time. The arc of a career could be understood in terms of the inflows, outflows, and transformations of individual and organizational knowledge that derive from sequences of work experiences.

Subsequently, Bird (2001) applied the "careers as repositories of knowledge" perspective to international assignments as a way of understanding the role they might play in developing global leaders. Adopting this perspective, international work experiences constitute the primary mechanism by which knowledge creation relevant to global leadership took place (Bird, 2001).

It is impossible to conceptualize careers as repositories of knowledge apart from a view of organizations as knowledge creators (Argote & Ingram, 2000; Inkpen & Dinur, 1998). The experience of individuals forms the substance from which knowledge is created (Nonaka, 1991a). When a firm competes on the basis of cost, quality, or product differentiation, it is competing on the ability to distinguish its products or services from that of its competitors. The ability to differentiate is embedded in an invisible asset: its knowledge base (Prahalad & Hamel, 1994). That knowledge base is derived, in turn, from the experience of the individuals affiliated with that firm (Nurasimha, 2000). Ultimately, all advantages are informational in nature. Maintaining competitiveness and sustaining an ongoing ability to differentiate requires firms to develop their human resources in ways that enhance the supply of information and knowledge available to the firm. Firms that revitalize themselves through knowledge creation and transfer set themselves apart from competitors (Argote & Ingram, 2000).

Perhaps the most important way that organizations create knowledge is by shaping employee work experiences and then eliciting experience-based learning in ways that allow it to be shared throughout the organization and lead to the accomplishment of organizational objectives. Framed in this way, a key activity of line managers and the human resource development policies that support them is to give direction to the knowledge-generating activities of employees by creating meaning (i.e., by making sense of experiential data) (Louis, 1980; Weick, 1996).

Explicit Knowledge and Tacit Knowledge

There are two ways that organizations and individuals transmit knowledge. When knowledge is transmitted to others through formal, systematic language—when it is articulable—it can be called "explicit" (Polanyi, 1966). Explicit knowledge is impersonal and independent of context. For example, a mathematical equation conveys knowledge by means of an impersonal (i.e., it is not rooted in any person or situation), formal (i.e., there are rules governing the structure of equations), systematic language (e.g., mathematical symbols).

Tacit knowledge describes information that is embedded in people's experiences and that is difficult to communicate to others. By definition, tacit knowledge is personal—it is gained only through firsthand experiences and also is rooted in action and commitment (Nonaka, 1991a). It is accessible to its possessor primarily in the form of intuition, speculation, and feeling. When Polanyi (1966: 4) states, "We know more than

we can tell," he is describing the sum of an individual's understanding that cannot be articulated to others.

Tacit knowledge has two variants that are relevant to acquiring knowledge critical for global leadership. First, one type of tacit knowledge is reflected in deeply held beliefs, paradigms, schemata, or mental models (Nonaka, 1990). This knowledge helps us make sense of the world and influences our perceptions of what are appropriate values, attitudes, and behaviors. A second type is technical and consists of skills, techniques, and know-how that are context-specific. Both types are important to global leadership and to the development of global leaders. It is also important to note that a large share of the tacit knowledge that individuals possess remains beyond one's ability to make explicit (Winograd & Flores, 1986).

Types of Knowledge Creation

Various types of interaction between these two basic knowledge types—tacit and explicit—give rise to four types of knowledge creation (Nonaka, 1991a), as shown in Figure 10.1. Sequenced together, the four create a cycle of knowledge creation.
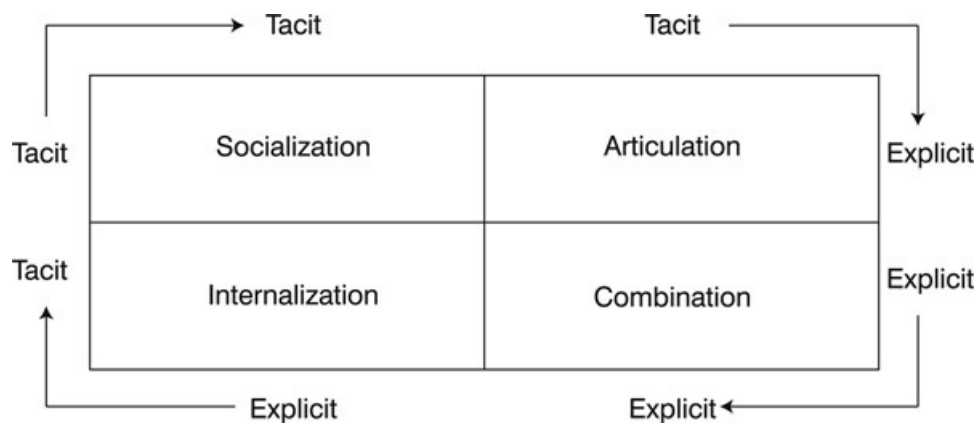
Figure 10.1 Typology of the Knowledge Creation Process

Tacit-to-Tacit

Knowledge creation involving the transmittal of tacit knowledge between individuals represents the first type. Studying under a master craftsman, apprentices may learn not only through spoken words or instructions but through observation and imitation as well. These processes of socialization lead to knowledge creation through the expansion of the apprentice's knowledge (i.e., newcomers imbue or modify what is learned via socialization by filtering it through their own understanding). Notwithstanding this process, however, little new knowledge is created through socialization. Moreover, the socialization form of knowledge creation is time-consuming and difficult to manage, more so when large numbers of people are involved.

Explicit-to-Explicit

Knowledge that is explicit can be easily transmitted. The explicitness often makes *combination* of different knowledge transparent and easy. For example, collecting information about the financial performance of various overseas business units (explicit knowledge) brings about the creation of new knowledge: how the firm as a whole is performing in overseas markets (explicit knowledge). Combination of explicit knowledge creates new knowledge through synthesis. Unlike socialization, the new knowledge created often tends to be less significant in its scope.

The two most profound knowledge creation types involve the transition from tacit to explicit or explicit to

tacit. This is also the locus where individuals' work experiences hold the potential to make their largest contribution to the organization.

Tacit-to-Explicit

Articulation is the conversion of tacit knowledge to explicit knowledge. It is significant for organizations because when knowledge that was previously inaccessible is made explicit, it can be shared. In a furniture company, for example, when a master cabinetmaker is able to articulate the thinking and techniques behind his particular style of woodworking, that information can be widely disseminated within the organization. Designers can incorporate the new knowledge into future products. Additionally, the information might even be shared with other cabinetmakers, thereby enabling them to make pieces of comparable workmanship. It may even be possible to incorporate this knowledge into the design of equipment and processes such that workmanship that could only be achieved by individual craftsmen can now be produced through machine-driven manufacturing.

Explicit-to-Tacit

The acquisition and subsequent application of explicit knowledge to an individual's own unique situation results in an expansion of the tacit knowledge base. In addition to *internalization* of explicit knowledge, this knowledge creation may lead to a reframing of what is known that constitutes knowledge creation as well. It is also important to note that transference of knowledge from explicit to tacit can lead to self-renewal of the employee and a deepening commitment.

There are similarities between tacit-to-tacit and explicit-to-tacit knowledge creation types. The primary difference between "socialization" and "internalization" lies in the informational source. In the socialization (tacit-to-tacit), a master or role model is the primary information source contributing to new knowledge creation. New knowledge is initially being created through replication, with the receiver's knowledge base contributing little to the newly created knowledge. In the case of explicit-to-tacit knowledge creation, the receiver's knowledge base contributes most of the information. By helping the receiver to see things in a different light or think in a different way (both being forms of new knowledge), explicit knowledge stimulates learning.

International Assignments as Spirals of Knowledge Creation

Through iteratively cycling through the four knowledge creation modes, it is possible to trace the knowledge arc of a career path. Different experiences spark shifts from one mode to another. Nonaka (1991b) provides an example of how this sequencing of knowledge creation modes plays out. In doing so, he outlines the nature of experience in each mode as well as the modal shifts in describing the experience of one team member on a product development team at Matsushita Electric Company charged with improving the design and performance of a home bread-making machine. Though a prototype had been developed, it produced unacceptable bread. The crust was hard, and the inside was doughy. One team member, Ikuko Tanaka, suggested they study the technique of Osaka International Hotel's baker, who had a reputation for making the best bread in Osaka. She arranged to work as an apprentice with the baker. One day she noticed that the baker had a distinctive technique of stretching the dough when kneading it. She returned to the product development team and shared her insights. Acting on this new understanding, they made several modifications in the bread-maker's design. Matsushita engineered the "twist dough" method into its design and came out with a new machine that set a sales record for kitchen appliances.

Nonaka (1991b: 99) continues:

1. First, (Ikuko Tanaka) learns the tacit secrets of the Osaka International Hotel baker (socialization).

2. Next, she translates these secrets into explicit knowledge that she can communicate to her team members and others at Matsushita (articulation).

3. The team then standardizes this knowledge, putting it together into a manual or workbook and embodying it in a product (combination).

4. Finally, through the experience of creating a new product, Tanaka and her team members enrich their own tacit knowledge base (internalization). In particular, one of the things they come to understand in an extremely intuitive way is that products like home bread-making machines can provide genuine quality. That is, the machine must make bread that is as good as that of a professional baker.

It is interesting that Nonaka uses a project team experience to illustrate the sequence of knowledge creation modes (Nonaka, 1994). This has implications for understanding knowledge creation as part of a global leadership development process, particularly as enacted through international assignments. When individuals join a project or work team, they may experience a form of *socialization*. Dialogue within the team, in turn, leads to *articulation*. As when ideas and concepts generated by the team are incorporated into existing knowledge bases or joined with existing data, there is a modal shift to *combination*. Experimentation with various new combinations of knowledge may lead to "learning by doing" that becomes *internalization*. In a similar vein, leaders who venture out into the global context often undergo a profound socialization as they work to adjust to their new surroundings and the requirements of their new work. As they acquire some facility or proficiency, they will likely share their experiences and observations with others, leading to *articulation* of their newly acquired tacit knowledge. Combining this knowledge with explicit knowledge about their work context, organization, competitive environment, and so forth involves a process of *combination*. As they fully incorporate all of this learning, they will have internalized this understanding, resulting in more knowledge creation.

As individuals repeat this sequence of work experiences, their store of knowledge grows. Development, then, can be understood as the path of an individual's work experiences through the various knowledge creation modes. The sequences of modes can be visualized as an outwardly expanding spiral.

Types of Knowing in International Assignment and Global Leader Development

The "careers as repositories of knowledge" perspective offers significant value for the study of global leader careers, particularly from a developmental standpoint. Two recurring themes in research on global leadership development have been the use of international assignments—with their extensive range of new experiences as a mechanism for growth—and the role of knowledge acquisition.

Personal experience is the essential element in knowledge creation and the basis for all tacit knowledge. Each phase of knowledge creation draws on the current or past experience of individuals. Nevertheless, the value of experiences is variable. Frequently, experiences such as driving to and from work, for example, provide little that is useful for new knowledge creation. The experiences that are most likely to lead to significant knowledge creation possess three characteristics—variety, quality, and affective intensity (Nonaka, 1994). All three are present in the experiences associated with international assignments and leading in a global context.

Variety refers to the range of experiences acquired over a given period of time. International assignments, unlike most other work experiences, provide extraordinary opportunities for variety. Living and working in another country presents a wide range of new experiences. Often managers encounter a mixture of customs, norms, beliefs, and attitudes across a wide range of situations and circumstances. The physical environment itself is likely to be quite different, with differing climate, terrain, and weather. Additionally, there will be new foods and beverages to sample and adjust to. Possibly there will be a new language to learn. More importantly, there will be a new position with new colleagues, new reporting relationships, and new responsibilities and demands, and perhaps most importantly, there will be a new organizational culture with new rules and processes about how things are done, who the key people are, and the determinants of credibility. Typically, the more important things to learn and the most difficult to ascertain are the tacit acquisitions.

As a result of these new encounters, the quality of experiences is likely to be richer and deeper than in previous, non-international assignments. Moreover, managers are likely to pay greater attention to and reflect longer on these experiences because their expectations about anticipated outcomes are more likely to be under met or over met in overseas assignments (Black, Mendenhall, & Oddou, 1991). Additionally, mistakes and failures are likely to be more frequent (Mendenhall, 2001), leading managers to re-evaluate core assumptions about themselves and others and about their work context. Managers may also find they experience unexpected successes (Mendenhall, 2001b).

The heightened quality of experience, with its attendant amplified attention and deeper reflection, in turn, increases the probability that individuals will experience greater knowledge creation. In other words, international assignments spur knowledge creation, particularly around self-knowledge because they evoke stronger affective reactions than other types of assignments (Mendenhall, 2001). The knowledge creation may be further enhanced because of the heightened emotional impact that international assignment experiences often carry.

International assignments can be characterized as infrequent events that provide managers with significant opportunities and material for tacit knowledge creation. No doubt, this explains why Osland (1995) characterizes international assignments as transformative experiences for many managers. For these managers, the experiences of an international assignment have no comparable counterpart in prior work they have done. It is this poignancy of experience—the extent of variety, the depth of quality, and the intense emotionality— that may also help explain why research on global leadership development has emphasized the importance of international assignments but has had difficulty in understanding how best to study the knowledge acquired through those experiences.

Types of Knowing

The knowledge creation cycle described earlier provides a description of the sequence knowledge creation takes. Viewing careers as repositories of knowledge adds another dimension to the discussion, and certainly, expatriate experiences are very peculiar types of experiences that bring about specific types of knowledge and skill acquisition. A look at the *types* of knowledge embedded in that development as a result of the variety, depth, and intensity of the expatriate experience is important. There are several descriptions of knowledge

categorizations that have been developed in general. Kidd and Teramoto (1995) were among the first to describe four knowledge types: knowing who, knowing what, knowing why, and knowing how. In looking at international assignments specifically, Berthoin Antal (2001) added a fifth type: knowing when (conditional knowledge). Subsequently, Fink, Meierewert, and Rohr (2005) defined categories of repatriate knowledge creation in terms of market-specific knowledge, personal skills, general management skills, job-related knowledge, and network knowledge. Finally, Oddou (2002) alternatively conceptualized the types of knowledge repatriates gain as cognitive, behavioral, relational knowledge, and attitudinal types.

There is a great deal of overlap and sometimes just a renaming of the category (i.e., knowing what = cognitive = market specific; knowing who = relational = network; etc.). However, the one that adds another dimension is the Oddou (2002) framework that speaks of attitudinal knowledge. See Table 10.1.

Attitudinal knowledge is derived from the basic challenges of an expatriate experience. The need to understand the dynamics of interpersonal relations, interpret events in a foreign environment, and resolve novel problems and paradoxes forces expatriates to approach their work life and general living situation in a different manner. In such an environment, repatriates report having to adopt a new attitude or approach to their environment and develop or demonstrate such competencies as increased self-efficacy, openness, tolerance of ambiguity, empathy, humility, patience, and flexibility. These competencies differ from the knowhow, behavioral scripts, and personal and management skills described in Berthoin Antal (2001), Kidd and Teramotos (1995), and Fink and Meirewerts (2005) categorizations.

An international assignment can impact people at the very core of their identity. These types of assignments force them to rethink who they are, why they are that way, and how they need to interact with others to be effective. For example, self-identity challenges arise as expatriates negotiate their identity among the roles assigned to them by the local culture (Osland, 1995), the socialization demands of host cultures, and contradictory local vs. headquarters demands

Table 10.1 Comparison and Equivalency of Repatriate Knowledge Types

Berthoin Antal (2001)	Fink and Meierewert (2005)	Oddou (2002)
Declarative (know-what) Axiomatic (know-why)	Market-specific knowledge	Cognitive
Procedural (know-how) Conditional (know-when)	Personal skills Job-related management skills General management capacity	Behavioral
Relational (know-who)	Network skills	Relational Attitudinal

Application to Global Leadership Development

International assignments associated with global leadership development possess unique properties when viewed through the lens of knowledge-creation. This section considers those distinctive properties and explores their implications.

Syntactic and Semantic Issues

Work experiences have both a syntactic and semantic aspect, to borrow two terms from linguistics. Syntax refers to the structure of a sentence, semantics to its meaning. Human resource managers must consider both the structure of work experiences and their meaning, if international assignments are to lead to significant knowledge creation beneficial to global leadership development and the overall competitiveness of the firm. Syntactic dimensions of work experience include such things as the duration of the assignment, the sequencing of assignments, and the structure of assignments. There are several important issues to consider here.

The duration of international assignments may often be arbitrarily established. Short-term assignments of nine months or less are usually based on the completion of a particular task or project, while long-term assignments often follow a standard length of two to three years. In setting the length of the assignment, there is frequently little regard for the impact on knowledge acquisition or dissemination (Black, Gregersen, Mendenhall, & Stroh, 1999). Clearly not all international assignments are alike in terms of the variety, quality, and intensity of experience they provide, which means that the knowledge creation process may vary in length as well. For example, similar cultures, legal regulations, and a common language may make it possible for a US manager to quickly learn how to get a new subsidiary fully operational in New Zealand. That same manager may take considerably longer to accomplish the same feat in China. The difference is not solely one of culture, language, and/or legal regulations but also involves the acquisition of the right sorts of experiences that will allow useful new knowledge to be created. In a related vein, whether a particular culture is characterized by high- or low-context communication preferences may influence, in turn, whether the most effective knowledge creation methods will be tacit or explicit (Dulek & Fielden, 1991). Chinese culture is characterized by a communication style in which much of the message is embedded in the situation rather than in explicit written documents or verbal exchanges (Hall, 1966). US managers in China may need to acquire a substantial range of local experiences before they are able to accurately make sense of what is going on around them. In China, the most effective knowledge-creation type early in the assignment may be the tacit-to-tacit exchange—socialization—whereby a newly arriving manager works closely with a local Chinese manager or experienced expatriate. That same manager, when assigned to Australia, may be able to create knowledge through combination (explicit-to-explicit), as the US manager and local counterparts share their understanding of plant setup and management.

Sequence is another issue that human resource managers should consider when using international assignments in developing global business leaders. Gunz (1989) suggests that, though many large organizations carry out career planning to identify logical sequencing of positions and promotions for managerial personnel, the knowledge creation process does not factor into that planning. An international assignment may be appropriate as the next step on a career path headed to the top of the organization but inappropriate for moving a manager through the next phase of the knowledge creation cycle or providing a manager with the right type of experiences. For example, after 18 months in a domestic department where he focused on mortgaged-based securities, one manager at a US investment bank was transferred to Tokyo, where his new position was to oversee a Japanese securities trading operation. There was little, if any, room within the new assignment for internalization of knowledge acquired in the previous position.

Disruption in the knowledge creation process may also occur upon repatriation (Gupta & Govindarajan, 1991; Black et al., 1999; Stroh, 1995), particularly if personnel in the receiving unit are not open to the experiences of the repatriate. Adler (2002) calls this the "xenophobic response," wherein colleagues' and supervisors' fear and

rejection of the new knowledge repatriates contribute subsequently constrains the transfer of knowledge. Many firms find it difficult to access with any depth of understanding what a manager has learned or to position the manager so that international experiences can be effectively used in broader knowledge creation activities. The case of the American manager returning from Germany that opened this chapter provides an obvious instance of disruption of the knowledge creation process and also of a firm's inability to tap into or transfer knowledge.

It is ironic that, though firms send managers on international assignment to get experience that will lead to knowledge acquisition in a wide variety of ways, many firms seem incapable of appreciating how successful they have been, often underestimating the growth in knowledge that managers have experienced. Repatriates report that work takes on broader significance. Moreover, they have a changed perspective of their role within the firm and within the world, as well as a changed understanding of where the firm fits in the world. Both of these transformations—awareness of a broader significance and reinterepretation of their role within the firm and the firm's place in the world—point to the development and growth of a global mindset (Levy et al., 2007), which has been identified as an essential characteristic of global leadership (Osland et al., 2006).

Employee Transformation

There are three aspects of international assignment experiences that help to explain the significant transformations managers may undergo. The commingling of work and nonwork experiences, common to both short- and long-term assignments, often lead to learning and insight about oneself, one's family, global business operations, and the world in general. In turn, these insights inevitably extend to a changed view of the work setting, an understanding of cross-cultural differences, the development of a more extensive and global network, the meaning of work, and the nature of foreign organizations. Short-term assignments that don't include the relocation of the family, but that include extended absences or the development of local social support systems, may also lead to a new perspective on work, the company, and larger "purpose of life" issues. Oddou (2002) gives a fairly comprehensive list of the transformations expatriates usually experience. These are reflected in Table 10.2.

A second aspect of international assignments that influences transformation is the compression into a short span of time of myriad novel, intense, significantly different experiences. Compression of so many powerful experiences may lead to a proliferation of new mental maps and an explosive increase in the repertoire of schema and scripts for dealing with a multitude of commonplace and not-so-commonplace events. Typical of this phenomenon in a more superficial way is the matter of the proper way to greet people in a business setting. Prior to an international assignment in Japan, a typical US manager would probably employ a handshake as the most common form of greeting and introduction. After working in Japan for several months or years, that same manager would return home with an expanded set of greetings and introductions that would now include bows of various depths and rigidity as well as handshakes of varying strength and duration.

Table 10.2 Repatriate Resource Capabilities and Application Potential

Resource Type	New Resource Capabilities	Application Value
Cognitive	• New global knowledge (of foreign operations, • interdependencies, etc.) New broader and different • perspectives or world view Increased ability to conceptualize diverse • information Increased	• Understanding of the foreign culture Understanding of the foreign • operation Clearer and more accurate world view Personal understanding of the interdependencies of global business operations

		cognitive complexity
Relational	• New sources of information • (e.g., people contacts) New quality or depth of relationships	• Names of individuals in the foreign operation (internal to the firm and those external—politicians, community leaders, other firms' personnel) that can be sources for gathering information more • efficiently and accurately Favor-granting relationships with individuals in the foreign operation (internal to the firm and those external—politicians, community leaders, other firms' personnel) that can be helpful in exploiting opportunities and defending against threats
Attitudinal	Increased self-efficacy	• More initiating behavior Greater self-reliance when necessary Increased sense of "can-do-it"
Behavioral Managerial skills:		• More effective communication skills More effective motivation • skills More effective planning skills More effective organizing skills • Greater ability to consider diversity in planning tasks Greater • understanding of different communication styles Better understanding of and ability to manage or work with people with different motivations

Other transformations can relate to deep-seated values or attitudes. For example, an expatriate in Vietnam was having a conversation with a Vietnamese colleague one day. The Vietnamese colleague asked him how he could support the US president with respect to the war in Iraq. When asked to clarify, the Vietnamese colleague said that the expatriate's president was responsible for killing civilians, just like Saddam Hussein was. Neither one was better than the other, the Vietnamese colleague stated. This perspective was a completely new one for the expatriate. He had always defined whether something was good or bad based on the results or the intent. The Vietnamese colleague, however, represented a cultural viewpoint that intent counted for nothing if the results were not also good. Although this example was not readily applicable to the expatriate's job in a tangible way, the ability to understand a very different perspective enabled him to better accept that there are other views to events that he had never questioned. Such increased mental flexibility is a valuable characteristic to acquire for any businessperson but is particularly important for global leaders (Black, Morrison, & Gregersen, 1999).

Because many, if not most, firms do not view repatriate knowledge as a valuable resource or competitive advantage, such gains can be of little consequence to the firm. Kang, Mooweon and Kang (2009) found that in domestic contexts with monocultural project teams, the more difficult, tacit, and important knowledge was perceived, the more effort an organization made to obtain it. However, significant differences exist between this kind of context and that of an employee returning from an international assignment. Most of the differences have to do with the transition process, coming from the outside to the inside. Organizations appear to be challenged to recognize the value of knowledge created outside the context in which it could be applied. In fact, repatriates report that firms seldom take a strategic perspective when positioning them upon return (Thomas, 1999; Forster, 1999; Harzing, 2001), reducing the likelihood that their hard-earned knowledge will be applicable to their new situation. A case study of a Spanish bank revealed that the bank showed little interest in what repatriates learned abroad; repatriates felt their knowledge was "undervalued or not wanted at all" (Bonache & Brewster, 2001: 159). Upon re-entry, repatriates typically do not get to use much of the knowledge acquired on foreign assignments (Harvey, 1989; Osland, 1995; Stroh & Caligiuri, 1997). However, a recent study of Japanese repatriates found that those who were able to transfer the global competencies they learned abroad reported higher levels of commitment (Furuya, Stevens, Bird, Oddou, & Mendenhall 2009). Repatriates are often dissatisfied with their re-entry, and their turnover rate is much higher than that of their domestic

counterparts (Black & Gregersen, 1999; Price Waterhouse, 1997; Stroh, Gregersen, & Black, 1998). If they resign, firms lose repatriate knowledge assets, most likely to a competitor. Why these international assignees resign is important to understand because it has implications for the loss of knowledge gains. Olds and Howe-Walsh (2014) discovered in a small qualitative study that repatriates who resigned within 12 months of repatriation did so due to one or more of these reasons: 1) mismatching actual knowledge qualifications to job placement, therefore underutilizing their international knowledge and skills, and relatedly 2) unmet expectations in the form of lack of opportunity to utilize international knowledge and skills and lack of promotion.

These losses are of the types discussed earlier. *Knowing who* loses may occur as some friendships, acquaintances, and relationship networks wane. *Knowing what* losses may take place as a manager's knowledge of some products and services or specific aspects of some organizational arrangements are forgotten, become outdated, or are no longer relevant. As a manager's identification with the firm shifts or changes, understanding of what is relevant or strategic may be lost. Finally, the move to a new position and new responsibility may result in less practice and application of well-developed skills so that knowledge of certain techniques or the ability to use some skills may wither. In short, international assignments are a time of both knowledge growth and development and also loss and decay.

The failure on the part of firms to value and actively draw out repatriate knowledge greatly limits its successful transfer. Repatriates in Berthoin Antal's (2001) study identified three major barriers. First, a lack of interest and the absence of processes or structures to communicate knowledge hindered the dissemination of repatriate knowledge. Second, the lack of a global mindset in the parent firm, coupled with a lack of real dedication to being multinational, constituted another set of barriers. However, failure to assign repatriates to jobs that utilized their international expertise was perhaps the most significant obstacle. Thus, she recommends adding another stage to the expatriation-repatriation process—knowledge sharing—that would occur after re-entry and involve an active knowledge management process (Berthoin Antal, 2001).

It is important to note here that much of the work on knowledge creation and transfer has been framed in terms of international assignees—primarily expatriates. However, recent research on another type of international assignee—inpatriates—is opening up new lines of inquiry. Reiche and associates (Reiche, Kraimer, & Harzing, 2009) have identified the role of inpatriates in the mediation of knowledge flows within global organizations. They also identify the ways in which inpatriates access their personal social capital (which we refer to as *knowing who*) to enhance the inter-unit intellectual capital of the organization associates (Reiche, Harzing, & Kraimer, 2009). Researchers found that knowledge transfer was more successful when transferring between subsidiaires with former inpatriates to headquarters than subsidiaries with expatriates (Harzing, Pudelko, & Reiche, 2016). They found that the inpatriates understood how to contextualize the knowledge better because of their experience at headquarters. Relatedly, Roberts (2012) and Wang (2015) found different types of embeddedness had different effects on knowledge transfer.

In the following section, we will explore those variables that are important to address in order to facilitate the transfer of repatriate knowledge. Although researchers have suggested HR tools that could facilitate repatriate knowledge transfer (Lazarova & Tarique, 2005; Tsang, 1999), we actually know very little about the conditions under which repatriate knowledge might be captured by the firm.

Scholars have complained that our knowledge of how organizations manage their personnel lacks good conceptual underpinning (Kochan, Batt, & Dyer, 1992; Welch, 1994), which is certainly true for repatriate knowledge transfer.

A Communication Perspective on the Repatriate Knowledge Transfer Process

Transferring information is a type of communication process—whether explicit or tacit. In the explicit communication of knowledge, the repatriate can write the information down and pass it along to others, for example. With tacit knowledge, although the repatriate might not write information down, he/she acts in such a way that the information can be observed, and therefore, communicated, and captured. It is useful, then, to use as a basic framework the early work that Shannon and Weaver (1949) did on the components of a basic communication model. This approach has precedence in light of researchers who have used a communication model to study knowledge or information flows in other contexts (Bryant & Nguyen, 2002; Gupta & Govindarajan, 2000). Further, Minbaeva's (2005) literature review noted that the knowledge transfer process in MNCs is affected by the characteristics of the knowledge (the message), the knowledge sources and transferors (the sender), the recipients (the receiver), and their relationship (the context). The nature of the knowledge (explicit or tacit) to be transferred is, of course, an important part of the transfer process. This was addressed in earlier sections of this chapter. The following discussion will focus on the rest of the communication model. The research work by Oddou, Osland, and Blakeney (2009) provides the principal basis for this discussion. Support for the model can be found in subsequent research (Burmeister & Deller, 2016; Burmeister, Deller, Osland, Szkudlarek, Oddou, & Blakeney, 2015; Oddou, Szkudlarek, Osland, Deller, Blakeney, & Furuya, 2013).

The essence of the Oddou et al. (2009) model can be found in Figures 10.2 and 10.3 on the next page.

Figure 10.2 shows the roles of the repatriate and the organization and reflects the importance of the shared context that allows the transfer to take place. In Figure 10.3, essentially, the model suggests that to the degree that the repatriate has certain ability and motivation characteristics, becomes an in-group member, and is part of an organization that has the ability and motivation to acquire knowledge, there will be successful knowledge transfer within the field of the shared context. A summary of some of the literature supporting each of these three major parts will follow.
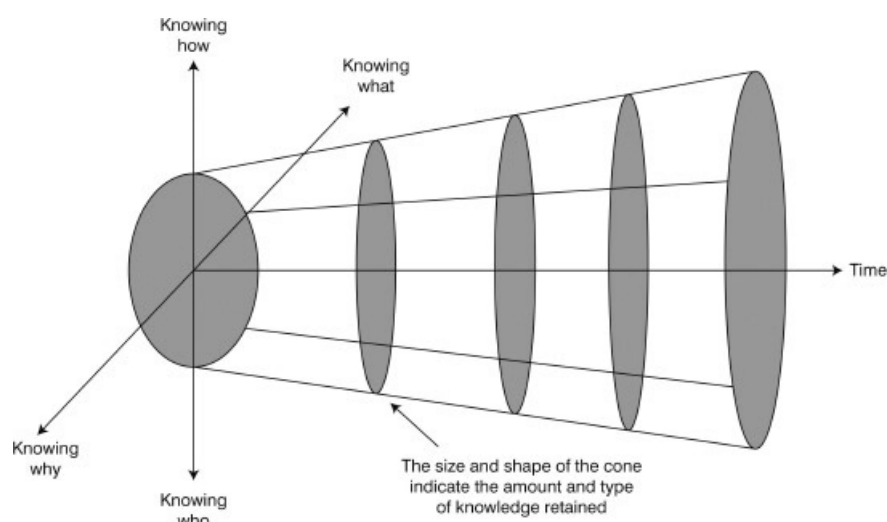
Figure 10.2 Characteristics of Repatriate Knowledge Transfer
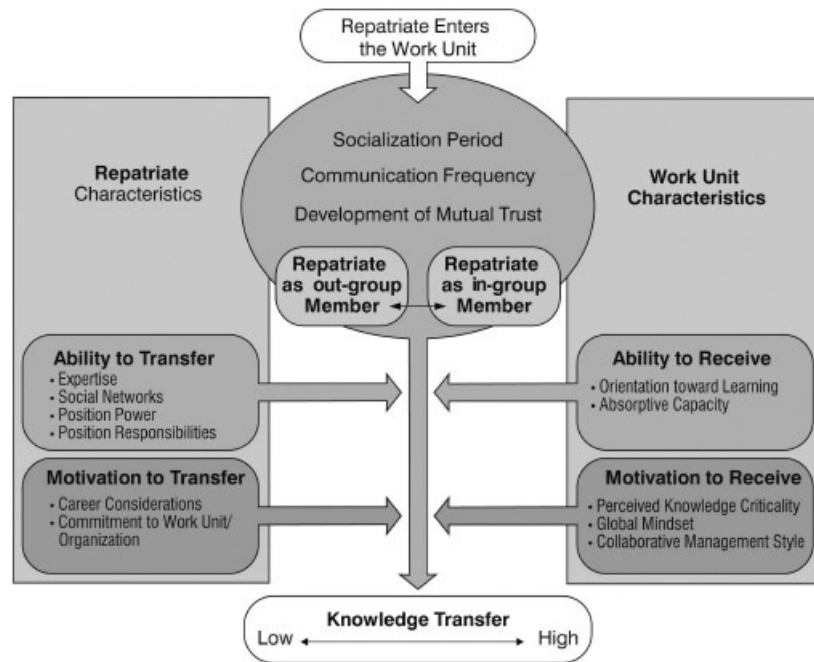
Repatriate Characteristics

First, the model suggests the repatriate has the ability and motivation to transfer the learning acquired from the international experience.

Motivation to Transfer Knowledge

The repatriate's motivation has been found to relate to personal career interests (i.e., self-centeredness) (Lazarova and Tarique, 2005). For example, a repatriate who is focusing on a promotion or other organizational reward is more likely to want to look for opportunities to improve the organization. Another important motivation where similar behaviors are manifested is personal commitment to the firm: being other-centered (Meyer & Allen, 1997), demonstrating organizational citizenship and commitment, including altruism and other intrinsic factors (Liu, 2010; Mogotsi, Boon, & Fletcher, 2011; Wang & Yang, 2007). Self-esteem, absorptive ability, and tendency to trust have also been found to relate to knowledge-sharing characteristics (Burmeister, Deller, Osland, Szkudlarek, Oddou, & Blakeney, 2015; Shu & Chuang, 2011). However, what makes acquiring trust more challenging in a repatriate context is that the new repatriate has little basis for trusting or being trusted if s/he is returning to a new context. Furthermore, given the typical treatment repatriates often receive upon reentry by the firm, there is a question about how much commitment they will have to their new environment.

Ability to Transfer Knowledge

The other major repatriate "characteristic" is the repatriate's *ability* to transfer knowledge. Variables that have traditionally been viewed as relating to the ability to influence include one's perceived competence or expertise (Cross & Prusak, 2003; French & Raven, 1959). The greater the perceived expertise of the individual, the more potential influence he or she can have. The social networks of which one is a member (Boisot, 1998) and the depth of the relationship (Hu, 2009) are also factors. Au and Fukuda (2002) found that individuals who held boundary-spanning roles (i.e., were members of social networks) had more organizational power than those who didn't. Certainly, the repatriate who is in a project management position and interacting regularly with six or seven people from different areas has the potential to influence more than a repatriate who returns as an

outside salesperson working primarily with external clients. In addition, the actual position one has and how it might be related to the acquired knowledge the repatriate has obtained is important. For example, Berthoin Antal (2001) found that when re-entry jobs have international dimensions and are similar to the foreign assignment, the repatriate's knowledge is more relevant to their work and to their coworkers.

Firm Characteristics

Motivation

Firms are composed of people and systems. Therefore, it is important to address both aspects when considering knowledge transfer. The people who are most in contact with the repatriate are those who are more likely to allow or encourage or otherwise accept and apply the knowledge of the repatriate. Some of the more important aspects about these individuals that relate to knowledge transfer include: 1) the relevance of the repatriate's knowledge that the repatriate's colleagues perceive for their work milieus (Zander & Kogut, 1995), 2) colleagues' openness to learning new information in general (Berthoin Antal, 2001); and 3) how collaborative the work culture is and nature of the leadership style of the repatriate's manager (Politis, 2001). There is also evidence to show that country culture can influence motivation to profit from knowledge acquired through expatriation. Researchers in India and Korea have found receptivity to repatriate knowledge to be quite high (Roberts, 2012; Valk, Van der Velde, Van Engen, & Godbole, 2014; Valk, R., Van der Velde, Van Engen & Szkudlarek, 2013; Värlander, Hinds, Thomason, Pearce, Altman, 2016).

Ability

Organizations have systems that include policies and procedures, as well as informal routines created by their organizational culture. These "routines" affect the organization's ability to absorb information (Zahra & George, 2002). More than likely, such routines are a reflection of the attitudes of the members of the organization. Gold, Malhotra, and Segars (2001) found that organizations that reflected the importance of continuous improvement, experimentation, and openness to new ideas were related to learning organizations. Organizational routines need to be created around these activities.

Shared Context

When the repatriate returns to the company and is given a particular work setting, the repatriate and colleagues in that work setting share a context. How the individual and the organization share that context is meaningful for the transfer of knowledge (Wood, 1997). Kodama (2005) refers to this as shared space and argues that it is necessary in order to create a context for knowledge creation. In an effort to determine why some firms were able to capitalize on personnel mobility to enhance knowledge transfer and others were not, they found that a shared context was the differentiating factor (Pan & Wang, 2010).

Although shared context is not necessarily a physical space, it is a space in which ideas can be exchanged, discussed, and possibly applied. Such a space is created from trust. Trust between two parties is critical in knowledge transfer (Andrews & Delahaye, 2000; Argote, McEvily & Reagans, 2003) and one that creates a consistent atmosphere of openness in a knowledge market (Cross & Prusak, 2003).

Implications for Knowledge Transfer

Based on our understanding of what variables affect knowledge transfer, a number of things can be done to enhance this process; these recommendations include:

1. Firms can attempt to create more strategic planning around the careers of their international assignees. The position upon repatriation should be related in responsibility to the acquired knowledge and skills gained in the foreign assignment. In fact, this process might start in the selection of the assignee, ensuring that the knowledge to be gained in the foreign assignment is strategic to the employee's growth and the firm's needs. This will create continuity in the knowledge-creation process. It will also likely hasten the process of engendering trust among employees within the work unit and increase the repatriate's commitment to the organization.

2. Firms can institute, as a few do, debriefing sessions where the repatriate gives a debriefing to the firm upon return, explaining what was learned and experienced, what networks were developed that might be of use, etc. This can also be achieved by the repatriate's manager using a very collaborative management style to create a spirit of openness and cooperation.

3. Firms can also create routines such as knowledge-sharing sessions around themes. Such sessions can be carried out during lunch hour and be company sponsored. Themes can be country-focused or issue-focused. Doing these kinds of things creates routines in the organization that facilitate knowledge transfer and absorption.

4. Firms can train the managers of repatriates about issues surrounding reacculturation and culture shock so as to facilitate the repatriate's return and resocialization process into a new work culture. Doing so will likely increase the repatriate's personal commitment to the firm and also allow opportunities to discuss experiences and learning.

5. Firms could incorporate the inclusion of a "back-home project" in which the expatriate, as a transition back to the home country and organization, is given a relevant project to work on before actually returning from the foreign assignment. This might allow more opportunities to transfer learning as well as better prepare the expatriate for network development and socialization.

Conclusion

In conclusion, today's world of global business requires that companies must innovate by learning from the world (Doz, Santos, & Williamson, 2001: 1). Today's economy is often referred to as a knowledge economy, knowledge that firms must recognize, capture, and manage to create a sustainable competitive advantage (Inkpen & Dinur, 1998). Exposure to new ideas and business practices as well as foreign cultures and markets via international assignments contributes to the creation of knowledge that can be used to build and sustain competitive advantage (Oddou, 2002; Tallman & Fladmoe-Lindquist, 2002) and transform individuals that make them more valuable employees of the organization (Oddou, Szudlarek, Osland, Deller, Blakeney, Furuya, 2013; Osland, 1995).

The motivation and ability of the repatriate to transfer the knowledge acquired in the international assignment combined with the ability and interest of the firm to learn and apply new information are keys to the transfer process. Without such transfer, the ability to build and sustain a competitive advantage is less realizable. Firms can do a number of things to increase the likelihood of knowledge transfer, including selecting the appropriate person to take the foreign work experience, training their managers to understand the personal challenges these individuals experience upon return, and creating organizational routines that will create a knowledge-sharing environment.

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Leading Global Change

JOYCE S. OSLAND

> There is no more delicate matter to take in hand, nor more dangerous to conduct, nor more doubtful in its success, than to be a leader in the introduction of changes. For he who innovates will have for enemies all those who are well off under the old order of things, and only lukewarm supporters in those who might be better off under the new.
>
> —-Machiavelli, *The Prince*

> We have to be willing to cannibalize what we're doing today in order to ensure our leadership in the future. It's counter to human nature, but you have to kill your business while it is still working.
>
> —Lew Platt, former CEO of HP

Leadership professor Jim Clawson believes that being a leader boils down to one's point of view, rather than one's title or status (2006: 4). In his opinion, the leadership point of view has three elements: "(1) seeing what needs to be done; (2) understanding all the underlying forces at play in a situation; and (3) having the courage to initiate action to make things better" (Clawson, 2006: 6). This chapter is all about making organizations better and making a difference, which fits with some definitions of global leaders as change agents. One can readily argue that it is more difficult to see what needs to be done on a global level and understand all the underlying forces in a more complex setting. It's undoubtedly more problematic to successfully change the mindset and behavior of followers and partners who come from diverse cultural and organizational backgrounds. Global leaders face the arduous task of catalyzing and steering change efforts and aligning extremely large and far-flung multinational corporations. While leading and managing change is always challenging, no matter where it takes places, we make the assumption that it is more difficult in a global setting. That said, global leaders are in a position to have a broad impact with their ideas and to foster the agility, innovation, and rapid learning capacity crucial to business survival and success.

In this chapter, we'll talk about the universal aspects of managing change as well as the factors that seem particularly important in global change efforts. Since innovation and change go hand in hand, we will describe how global leaders can promote and lead innovation. To understand the context in which global change occurs, we'll begin by summarizing the cultural differences that influence change and innovation.

The Role of Culture in Change

Change interventions that work in one country do not always succeed elsewhere (Faucheux, Amado, & Laurent, 1982; Weick & Quinn, 1999). To avoid failure, several cultural factors should be taken into consideration in global change efforts. Culture affects not only the predisposition to change but how change itself is viewed and implemented.

Cultures vary in their beliefs about how change occurs (Bartlett & Ghoshal, 2000). When most European and Japanese companies want to make a change, they follow this process: (1) focus on changing the attitudes and mentalities of their key people; (2) modify the flow of communication and decision-making processes; and (3) consolidate the changes by realigning the structure to mirror the changes that have already occurred. US companies, however, take a different approach based on different assumptions about change. They begin by modifying the organizational structures with the hope that a new structure will cause changes in interpersonal relationships and processes, leading eventually to changes in individual attitudes and mentalities. Bartlett and Ghoshal (2000) note, however, that these different national biases seem to be disappearing as global companies learn different approaches from one another.

The geography of thought (Nisbett, 2003), which describes different patterns of Asian and Western thinking, indicates different perceptions and behaviors about change. Nisbett and Miyamoto (2005) found that Asians tend to value experiential knowledge over abstraction, attend more to relationships and context, and think more holistically. In contrast, Westerners tend to value abstraction over formalism, pay more attention to salient objects and their characteristics, and think more analytically. Eastern thought accepts that things change from one extreme to another and includes both dualism and dialectics (yin and yang) (Nisbett & Masuda, 2003). Such thought patterns, based in Chinese philosophy, predispose Asians to predict more change (Li-Jun, Nisbett, & Su, 2001) and to react with incremental adaptation. In contrast, the Greek philosophers who influenced Western thought perceived their world as stable, perhaps because they focused more on individual objects rather than the entire context; they also believed in linearity and irreversibility (Gurevich, 1969). As a result, Western managers believe they have greater control over the environment, which leads to more decisive managerial action against the status quo, once the need for change or a new strategic direction is perceived (Kagono, Nonaka, Sakakibara, & Okumura, 1985). Therefore, Eastern and Western thought patterns can influence the perception of change, as well as change goals and leadership behavior.

There is limited research on cultural differences and global change. We can, however, infer from the research on culture the likely impact of certain cultural beliefs and values. Table 11.1 summarizes the cultural value dimensions that seem to influence predisposition to change.

Table 11.1 Cultural Dimensions Related to Change

More Disposed to Change	Less Disposed to change
Low uncertainty avoidance	High uncertainty avoidance
Flexibility	Order
Future-oriented	Past-oriented
Internal locus of control	External locus of control
Mastery	Harmony
Human nature as mutable	Human nature as immutable
Factors that influence Implementation	
Human nature as trustworthy vs. untrustworthy	
Low- or high-power distance	
Importance of hierarchy versus egalitarianism	
Communication styles	
National history	

Cultures vary in their level of comfort with change and whether they see change as basically positive or negative. Cultures who have a preference for order and who are high in uncertainty avoidance should be more

likely to avoid change and the risks that it entails. High uncertainty avoidance cultures are less comfortable with ambiguity and risk (Hofstede, 1980). For this reason, it is helpful to clearly delineate the change process for them so they know what to expect at each stage. Members of cultures characterized by flexibility and low uncertainty avoidance should be more open to change. Due to their history, some countries are more likely to develop these values and be more comfortable with change. For example, the historical origins of the United States made change an important cultural value. "In the Old World [Europe] respect came from a valuable heritage, and any change from that norm had to be justified. In America, however, the *status quo* was no more than the temporary product of past changes, and it was the resistance to change that demanded an explanation. A failure to change with the times was more than just a private misfortune; it was a socially and organizationally subversive condition. This attitude still persists in America, "particularly in the corporate world" (Bridges, 1995: 20). This is not an unmixed blessing; it might explain, in part, why some US firms go on to launch repeated change projects without first ensuring that previous projects are completely implemented. Countries are not prisoners of history or culture, and attitudes toward change can evolve or radically transform, as seen in the rapid transformations occurring in Asia.

Kluckhohn and Strodtbeck (1961) categorized cultures according to their perspective on time as either past-, present-, or future-oriented. Future-oriented cultures are seen as being more open to both change and innovation because their focus lies on the need to adapt to what is coming next. We usually expect more resistance to change in cultures that value the past and tradition. Historical precedent receives more attention than innovations. In past-oriented cultures, managers are expected to be less proactive about making changes, and change processes may take more time (Osland, 2004).

The same is true of cultures that believe people are at the mercy of uncontrollable forces rather than masters of their own destiny. Cultures whose members are characterized by external focus of control (also called outer-oriented) believe that other forces, such as fate or luck, control one's destiny (Rotter, 1966; Hampden-Turner & Trompenaars, 2000). Accordingly, we would expect them to be less likely to initiate change or be highly proactive in their strategy and planning efforts. Employees may not be held as personally accountable for accomplishing changes since this is not viewed as completely within their own control. In contrast, cultures whose members believe that people control their own destiny, internal locus of control (also called inner-oriented), tend to take matters into their own hands and are more likely to see themselves as change agents.

A culture's relationship with its environment can impact the target of change. Do they believe in mastering the environment or living in harmony with it (Kluckhohn & Strodtbeck, 1961)? Cultures with a preference toward mastery are generally more dynamic, competitive, and likely to use technology to change the environment and accomplish their goals. They are more likely to dam rivers to obtain hydroelectric power than to refrain out of concerns about upsetting the delicate balance of nature by altering the river. The latter is more characteristic of cultures that value harmony with nature. Rather than changing the environment, they believe in understanding and working with it.

A culture's beliefs about human nature also impact the target of change efforts. Cultures see humans as either mutable (capable of change) or immutable (incapable of change) (Kluckhohn & Strodtbeck, 1961). In cultures where human nature is viewed as immutable or unchanging, there may be less confidence that change projects involving new behaviors and mindsets are feasible. They are more likely to subscribe to the belief that "You can't teach an old (or even young) dog new tricks." By contrast, members of cultures who believe that human nature is mutable will likely put more faith in training and behavioral change.

A related view of human nature can affect the change implementation process. Kluckhohn and Strodtbeck (1961) differentiated between cultures that saw humans as basically good, mixed, or evil. We believe it is more helpful to characterize this dimension as trustworthy versus untrustworthy and associate it with the length of time needed to build trust in different cultures. In cultures where human nature is viewed as basically good, or trustworthy, trust in general comes more quickly. In cultures that believe human nature is basically evil, or untrustworthy, it takes longer to build trust. Since trust in leaders and change agents is essential in change projects, it seems logical that trusting cultures may be quicker to go along with change projects and assume the leader has the best interests of the organization in mind. In cultures that see humans as untrustworthy, we

hypothesize that it will take longer to build trust and commitment to the change, unless the leader already enjoys the followers' trust.

Power distance is another cultural factor that can influence the change process. High power distance cultures accept that power is distributed unequally, whereas low power distance cultures believe in equality and a more even distribution of power (Hofstede, 1980). Power distance values can determine who is invited to the table to provide input and plan the change and who will lead the change. Will egalitarian values hold sway, or will only those at the very top of the organization be involved in planning and leading change? Schwartz (1994) noted that in hierarchical cultures, the social fabric is maintained by a hierarchical structure of ascribed roles. Any change with the potential to disturb this hierarchy by changing the roles or the distribution of power could be viewed as threatening, provoking more resistance to change. Although resistance to change varies in terms of degree and cause, it is a natural reaction to change and part of the adaptation process.

Participation and equality and power sharing are among the core values of organization development (OD) consulting, which leads organizations through planned change. These values are congruent with low power distance but not high power distance. In low power distance cultures, participation is generally the best way to allow employees to feel some sense of ownership of the change process and thereby reduce resistance to change. They can then see themselves as architects of the change rather than victims. Employees from cultures characterized by high power distance, however, are more likely to expect leaders to make decisions without their input and are less satisfied when empowerment programs are put in place. Research found less satisfaction resulting from empowerment in high power distance Asian cultures than in low power distance Canada (Eylon & Au, 1999) and again in high power distance India compared with the United States, Poland, and Mexico (Robert, Probst, Martocchio, Drasgow, & Lawler, 2000).

Communication differences should also be considered in change projects. Style differences can prevent people from accurately perceiving, analyzing, and decoding intercultural communication. People in collectivist cultures are more likely to encounter situations in which there is a preference for high-context, indirect, and self-effacing (modest) communication and silence (Ting-Toomey, 1999). They show greater concern for saving face and not standing out from the group (e.g., the Japanese saying, "The nail that sticks up is hammered down"). In contrast, people in individualistic cultures are more likely to encounter situations characterized by a preference for low-context, direct, and self-enhancing communication and talkativeness (Ting-Toomey, 1999). These communication styles are defined in Table 11.2. One can readily imagine change-related situations in which global leaders would want to communicate their vision and receive input and feedback without running the risk of misunderstandings due to cultural communication problems.

Global leaders should also consider national history in change efforts. Countries that have sovereignty issues, for instance, can be particularly sensitive to changes imposed by a foreign headquarters. Hungary's political structure and state-owned companies exert a strong influence on views of change and its implementation, and one can expect special considerations in managing change in transition economies (Fehér & Szigeti, 2001).

Table 11.2 Communication Style Differences

Low versus high context	Pertains to the extent to which language is used to communicate the message.
	Low context: relies on explicit verbal messages to convey intention or meaning. The onus lies on the speaker to send a clear, easily decoded message. (Examples: Germany, Switzerland, U.S.)
	High context: relies mostly on information contained in the physical context or internalized in the person. The onus lies on the listener to "read" meaning into the message. (Examples: Asia, Latin America.)
Direct versus indirect	Pertains to the extent to which language and tone of voice reveal or hide the speaker's intent.
	Direct: speakers specify their intentions in forthright statements. (Examples: Western cultures.)
	Indirect: speakers hide their meaning in nuances in their verbal statements. (Examples: Eastern and Middle Eastern cultures, most of Latin America.)

Self-effacing versus self-enhancing	Pertains to how one refers to one's effort or performance.
	Self-effacing: emphasizes the importance of humbling oneself via verbal restraints, hesitations, modest talk, and the use of selfdeprecation. (Examples: Asian cultures.)
	Self-enhancing: emphasizes the importance of boasting about or drawing attention to one's accomplishments and abilities. (Examples: Arab, American.)
Silence	Pertains to the meaning of silence.
	Silence conveys a message. It can mean respect for someone of a higher status, careful consideration of the speaker's words, displeasure with a child's behavior, harmony, etc. (Examples: China, Japan, Korea.)
	Silence has no meaning. Therefore, it is usually filled with words. (Examples: Latin America, U.S.)

Source: Based on research by S. Ting-Toomey (1999) *Communicating across Cultures* (New York: Guilford).

We have a few caveats about culture and change. First, the value dimensions in Table 11.1 can provide us with the "first best guess" (Adler & Gunderson, 2008) about the preferences and behavioral predispositions of another culture with regard to change; however, they will not allow you to predict behavior with total accuracy. These cultural values describe modal preferences, but there are many individual differences within cultures. Second, cultures are much more complex than these value dimensions convey; other factors can trump these values in specific contexts (Osland & Bird, 2000). Third, there are additional cultural values that are unique to specific countries; these too can influence change efforts. See Table 11.3, which illustrated cultural values that can become figural during different elements in the change process (Lane, Spector, Osland, & Taylor, 2014). Thus, global change agents need to consider many other factors and seek more information to have a full understanding. These cultural value dimensions should, however, be on a global leader's radar screen whenever organizational change is under discussion.

Is culture an insurmountable obstacle to change? No. It is possible to work around and leverage cultural beliefs and values. For example, you can empower employees to implement change in a high-power distance culture when the change is tied to other values in the culture. Total Quality Management (TQM) was successfully implemented in Morocco because authority figures were used as role models and TQM was linked to Islamic values and norms (Gelfand, Erez, & Aycan, 2007). Without a deep knowledge of the culture, it would not have been possible to leverage local values and norms. In a Central American TQM project, the general manager absented himself from key problem-solving meetings so that senior managers would more openly share their opinions. Had he been present, they would have deferred to him unquestioningly. He was wise enough to realize that this modification was necessary in a high-power distance culture (Osland, 1996). While expert leaders understand and respect cultural constraints, they also know when and how to get around them.

Table 11.3 The Change Process and Cultural Contingencies

1. Generalized stage or phase model	2. Processes and activities of the stage as described by various authors	3. Cultural contingencies to be aware of and consider
Readiness to change • Current state? • Visible need? • Top management support? • Capable change agent? Change teams?	• Shared diagnosis • Situational analysis • Force field analysis • Unfreezing • Identification of target group • Participant involvement in analysis • Visioning • Problem exploration • Buy-in	• Low vs. high power distance • Collectivism vs. individualism • Universalism vs. particularism • Ability/willingness to work in teams • Communication style (directness) • Trust • Change agent credentials: views of authority, legitimacy (expert, referent, position, coercive, reward; ascription vs. achievement)
Desired state or goal?	• Redesign • Map • Participant involvement in solutions	• Attitude toward conflict • Communication style (directness) • Orientation toward time: past, present, or future

	• Solution search	
Target group's *ability* to change (Can they?)	• Knowledge • Skills • Resources • Help (meaning training, mentoring) • Education • Unfreezing • Implementation resourcing	• Mutable versus immutable human nature • Working in teams • How to get the right people on the team—cultural variants in selection • Multicultural team process • Virtual team aspects
Target group's *motivation* to change (Will they?)	• Development (meaning assessment, promotion, recruitment) replacement • Conflict resolution • Unfreezing • Overcoming resistance	• Cultural motivational factors: doing or fatalism orientations • Collectivism vs. individualism • Hierarchy vs. egalitarianism • Attitude toward conflict • Communication style (directness) • Cultural considerations in selection
Implementation	• Pilot test (alpha, beta), implement • Theory of the small win • Realignment of power, systems and structures	• Uncertainty avoidance • Implementation sequence
Reinforcement	• Refreezing • Institutionalizing • Monitoring, assessment	• Collectivism vs. individualism • Universalism vs. particularism • Uncertainty avoidance

Adapted from Lane, Spector, Osland, and Taylor (2014).

Carlos Ghosn, president and CEO of Nissan and Renault, respected Japanese cultural norms and long-time business practices but did not observe them when business needs dictated change. Ghosn ended the keiretsu system, lifetime employment, and the seniority wage system in Nissan, after acknowledging that they worked effectively in other Japanese companies but were not appropriate for Nissan's needs at this point in time (Aoki & Lennerfors, 2013; Maeya, 2004). Because Ghosn and his team used the "asset of foreignness" and because he demonstrated good leadership and earned the employees' trust, these extreme changes were accepted, enabling Nissan's successful restructuring and turnaround (Ikegami, Maznevski, & Ito, 2017).

Another example of a successful change that went against cultural values was the implementation of semi-autonomous work teams (SAWTs) in Nestlé Malaysia (Maznevski, 2011). These teams were not in alignment with Malaysian cultural values. "Malaysia has one of the highest hierarchy scores anywhere in the world as well as relatively high scores on collectivism. The result is a well-established deference to hierarchy between subordinates and their superiors, and a commitment to not standing out in a group. At a practical level, these front line workers prefer to wait for orders before doing anything and are also not naturally expressive when solicited for new ideas on how to improve things" (Maznevski, 2011: 6–7). Furthermore, Malaysia is home to different ethnic groups that experienced conflict. Yet another complication was the relative success of Nestlé's Malaysian factories, making the need for change less obvious. Nevertheless, Magdi Batato, another highly effective global leader, had successfully introduced SAWTs in other countries and was convinced they would be equally effective in Malaysia. The change process was challenging, but in the end, he and his team had successfully trained employees in team skills and problem solving and convinced employees of the need to adopt a new style of management that was not in keeping with local cultural values (Maznevski, 2011).

Percy Barnevik, former CEO of ABB, summed up the "when does culture matter" issue for global leaders in an interview:

> Global managers have exceptionally open minds. They respect how different countries do things, and they have the imagination to appreciate why they do them that way. But they are also incisive, they push the limits of the culture. Global managers don't passively accept it when someone says, "You can't do that in Italy or Spain because of the unions," or "You can't do that in Japan because of the Ministry of Finance." They sort through the debris of cultural excuses and find opportunities to innovate.
>
> (Taylor, 1996)

To do so, global leaders may have to adapt their own change-related behavior to match the cultural scripts used in different locations, find ways to leverage cultural differences, and contextualize the change in ways that are appropriate for different cultures. We will discuss contextualization later in the chapter.

Change Management

Change management, which is based on behavior science knowledge, is a concerted, planned effort to increase organizational effectiveness and health. It involves an intentional and structured transition to a desired end-state. Organizational change is usually categorized in terms of magnitude as either incremental or transformative. Incremental change (also known as first-order change) is linear, continuous, and targeted at fixing or modifying problems or procedures. Transformative change (also called second-order change or gamma change) modifies the fundamental structure, systems, orientation, and strategies of the organization (Burke & Litwin, 1992). Transformative change is radical, generally multidimensional and multilevel, and involves discontinuous shifts in mental or organizational frameworks. To borrow Wilbur's (1983) analogy, whereas incremental change is analogous to rearranging the furniture in a room to make it more comfortable or functional, transformative change questions whether this is even the room or floor where we should be. Given the complexities of global organizations, Champy and Nohria (1996) contend that incrementalism is a luxury businesses can no longer afford; to avoid falling behind, they recommend radical change and moving ahead quickly.

Change Process Models

The process of change is often viewed in terms of unfreezing, moving, and refreezing (Lewin, 1947). *Unfreezing* entails overcoming inertia and developing a new mindset. This stage is accompanied by stress, tension, and once people's defense mechanisms have been breached, a strong felt need for change. In the *moving* stage, the change begins, which involves relinquishing old ways of behavior and testing out new behaviors, values, and attitudes that have usually been proposed by a respected source. As one would expect, this stage is characterized by confusion. *Refreezing* occurs when the new behavior is reinforced, internalized, and institutionalized or to the contrary, rejected and abandoned. Whatever the outcome, this stage represents a sense of returned equilibrium.

In a study of multinational organizations, the framework was modified as follows: *incubation* (questioning the status quo), *variety generation* (middle-up experimentation) leading to *power shifts* (change in the leadership structure), and then the process of *refocusing* (Doz & Prahalad, 1987). Ghoshal and Bartlett (1996) observed the following sequential and overlapping process—*simplification, integration, and regeneration*—in successful large-scale strategic transformations at GE, ABB, Lufthansa, Motorola, and AT&T. Simplification involves a more laser-like change focus that clarified the strategy, such as GE's "being number one or two in the industry." In the integration phase, shared values and realigned cross-unit relationships bring people together. Welch's focus on inter-unit collaboration and the sharing of best practices in GE is a good example of integration. In regeneration, the last phase, efforts are made to build an organization that is capable of renewing itself. This was the purpose of Welch's "boundarylessness" push at GE (Ghoshal & Bartlett, 1996).

Kotter and Cohen (2002) provide a more detailed breakdown of the sequential stages in the change process used in successful change efforts:

1. Increase urgency—Unfreezing occurs by demonstrating the need for change with undeniable evidence, something they can see, touch, and feel that touches their emotions.

2. Build the guiding team—A group powerful enough to guide the change is created and teambuilding is used to build a trusting, effective team.

3. Get the vision right—The guiding team creates a succinct, inspiring, moving, and appropriate vision for the future.

4. Communicate for buy-in—The change is communicated in ways that are simple and heartfelt and that take

into consideration the feelings of those who will be affected.

5. Empower action—Obstacles are removed from their path so that more people feel able to contribute their efforts to the change and are rewarded for doing so.

6. Create short-term wins—Easy, visible, and early successes build momentum, lessening the likelihood of resistance and increasing the support of powerful players.

7. Don't let up—People make wave after wave of change, tackling ever-more-difficult challenges until the vision is realized.

8. Make change stick—Change is institutionalized by the organizational culture, storytelling, promoting change heroes, socializing new recruits, and ensuring continuity.

One of the most important contributions of this model is Kotter and Cohen's (2002) finding that leaders have to include the emotional aspects of change to be successful. For example, building a rational business case for change is not enough. The feelings that block change require incontrovertible evidence that touches people's emotions and helps them feel the need for urgency.

Not everyone views change as an orderly progression, in part because they view the reality of change as more haphazard and dependent on luck and circumstance. Some describe change as a "strategic layering" process, in which firms continuously build capabilities in response to environmental demands (Evans & Doz, 1989). Another school of thought views change as a spiral process. Management teams focus on a change initiative until it looks as if they might be going too far in that direction. Then, to avoid the pathologies that could result from the initial change effort, they switch their focus to something else (Evans, Pucik, & Barsoux, 2002). The top management team of a firm in the midst of decentralizing, for example, may switch its attention to integration mechanisms when decentralization begins causing too many coordination problems. When the integration mechanisms begin to look too cumbersome, they will spiral on to another focus.

Unlike change in a single location or operations in a single country, global change involves a broader range of action. This means that global leaders have to anticipate changes to a greater degree. The process of looking ahead to predict future needs and adjustments is called anticipatory sequencing (Evans & Doz, 1989). The challenge of building the future into the present is daunting, as noted in the epitaph for a change agent, "How are you supposed to change the tires on a car when it's going 60 miles per hour?"

Another approach to global corporate change is contingent in nature (Pettigrew, 2000), and acknowledges both local differences and the difficulty of balancing global/local tensions. Global firms need global standards and centralization around core aspects, but they also need local innovation and modifications and decentralization (Ghoshal & Bartlett, 1999). Pettigrew (2000) contended that too many change efforts ignore local contextual issues and take a universalistic approach to change. Higgs and Rowland (2005) found limitations with the linear approach and support for the contingent approach. Based on a subsequent case study, they recommend that leaders build capability for the change in teams and individuals and establish networks that facilitate opportunities for learning and dialogue. In terms of leader behavior, it is more effective to frame changes and articulate clearly the core principles and values underpinning the changes and then distinguish these hard rules from areas in which local input and differentiation is feasible during the implementation process (Higgs & Rowland, 2009: 55).

Box 11.1 summarizes basic lessons about successful domestic and international organizational change.

Box 11.1 Common Lessons about Change

Leadership

There has to be a vision for the change so that people have a purpose to believe in.

Top management support for planned change, or at least benign neglect, is crucial.

In addition to top management support, there needs to be a "critical mass"—the smallest number of people or groups who must be committed to a change for it to occur.

Thoughtful management of resistance to change is the responsibility of change leaders.

The more discretion managers have, the more changes they will make.

Leaders have to be self-aware.

Leaders have to be role models for the change.

Communication

The end result of the change must be clearly communicated so people are willing to leave behind what they know for something new.

It is almost impossible to "over-communicate" a change—people need to hear about it several times in a variety of mediums before the message is accurately received.

Trust

Lasting change won't happen unless there is a sufficient level of trust within the organization.

Context

Change almost always requires reexamining and rethinking the assumptions people hold about the environment, the way the organization functions, and their working relationships with other people. There is often a mourning period before people can let go of the way things used to be.

Change requires new assumptions, attitudes, behaviors, and skills, which must eventually be institutionalized so the change can endure.

Constant change is a source of stress for employees, so organizations have to balance both change and continuity.

Tactics

Since tactics that work in one part of the organization cannot always be transferred successfully to another area, standardized change efforts may not be possible.

Multiple interventions are necessary—one is seldom sufficient.

People have to possess the skills required by the change, which may necessitate training.

Evaluation and incentive systems have to support the change and reward the desired behaviors.

Changing one element in a system will not work unless we bring all the other elements into alignment to support the change.

Implementation Process

Change is a process rather than an event or a managerial edict.

A good idea is not enough—the change process has to be skillfully managed for implementation to be effective.

The change process occurs in multiple steps that cannot be bypassed.

While there are linear steps in planned change, implementation is seldom linear.

Changes require a fertile context—an organizational culture with values and norms that complement the change and a climate of renewal and growth.

Changes need time to take root.

Change is hard to sustain; some innovations succeed initially, but conditions eventually revert to their previous state.

Change requires perseverance.

There are costs associated with any change, and we can expect a predictable slump in performance before a successful change starts to show results.

Resistance

Resistance is a natural response to change.

Three common types of resistance are: blind, ideological, or political.

Changes often upset the political system in organizations and come into conflict with the vested interests of people who prefer the status quo.

Allowing people to participate in some aspect of the change process and educating them about the change are positive ways to reduce resistance.

Sources: A. Armenakis and A. G. Bedeian (1999) "Organizational change: A review of theory and research in the 1990s." *Journal of Management*, 25(3): 293–315; W.W. Burke (2002) "The organizational change leader." In M. Goldsmith, V. Govindarajan, B. Kaye, and A. Vicere (eds) *The Many Facets of Leadership* (Upper Saddle Creek, NJ: Financial Times Prentice Hall), pp. 83–97; T. C. Cummings and C. G. Worley (2004) *Organization Development and Change* (Cincinnati, OH: South-Western); T. Jick and M. Peiperl (2003) *Managing Change: Cases and Concepts* (Boston, MA: Irwin); and E. Lawson and C. Price (2003) "The psychology of change management." *The McKinsey Quarterly*, June Issue: 31–41.

Boundary-Spanning Networks

At least half of organizational change efforts fail, often because top-down change efforts relying on formal channels do not work in a global context characterized by complexity, interdependence, and flux. A different approach is to use boundary-spanning leadership, which is defined as "the capability to create direction, alignment, and commitment across boundaries in services of a higher vision or goal" (Cross, Ernst, & Pasmore, 2013: 81). As noted in Chapter 3, boundary spanning is a key global leadership competency. Change often spreads via boundary spanners and their networks. Networks reflect relationships rather than the formal structure. There are four types of influential network roles that positively affect change processes and one negative role (Cross et al., 2013: 83):

Connectors support a large number of colleagues in different ways (information flow, personal support, or trust). They help align teams or departments via their informal leadership and trusted opinions. They can play an important role in implementation and communication.

Experts are sought out for specific knowledge and experience by colleagues. They can ensure that changes are well-designed; they also serve as trusted conduits of information and help overcome resistance to change.

Brokers are central in the network due to the number of ties that bridge organizational boundaries. They serve as trusted liaisons because they understand different perspectives as well as the need for mutual adjustment. As such, they are the most natural conduit for efficient communication and can be lead adopters in the implementation stage.

Energizers create energy and enthusiasm; their optimism helps others see the positive aspects of change.

Resisters de-energize or stall momentum. Their informal leadership can cause misalignment in a team and gridlock.

Organizational Network Analysis is used to map a network and identify the employees who play these roles. Relying appropriately on employees who play specific roles can lead to more successful change.

Successful Global Change

Research conducted by Prosci with more than 1000 organizations from 59 countries shows that people must achieve five building blocks in order for change to be realized successfully. These building blocks, known as the ADKAR Model, consist of these factors (Hiatt, 2006):

1. **Awareness**—of why the change is needed

2. **Desire**—to support and participate in the change

3. **Knowledge**—of how to change

4. **Ability**—to implement new skills and behaviors

5. **Reinforcement**—to sustain the change

Surprisingly, there is very little empirical research on global change efforts. The editors of a special issue on international organization development and change in the *Journal of Applied Behavioral Science* (Neumann, Lau, & Worley, 2009) reported fewer than expected submissions; they noted that "In working with the submissions, it became rapidly apparent that notions of "international," "organization development," and "change management" all needed to be considered in clarifying the overall domain and particular applications of international OD&C (organization development and change)" (Neumann, Lau, & Worley, 2009: 173). Once again, we find a need for more work on accepted construct definitions. Therefore, the research findings in this chapter are supplemented with information from interviews and case studies of global leaders who are successful change agents. These sources indicate that the factors shown in Box 11.2 play an especially important role in global change or have special meaning in a global context (Osland, 2004). Many of these are universal change lessons that are equally important in domestic settings.

Box 11.2 Key Factors in Global Change

Leaders as catalysts

Vision that is clear, motivating, and linked to performance goals

Change message that is easily grasped and repeated

Building a community and generating trust

Clear expectations and operationalization of the vision at all organizational levels

Alignment of organizational design components to complement changes

Use of teams to drive the change

Accountability for results at all levels and for units and individuals

Measurement and evaluation during the process

High standards of performance

Results-driven approach

Reinforcement systems

Persistence

Creating a context for change by modifying the organizational culture and establishing vehicles for learning and participation

Cultural contextualization of the change

Some of these factors are present in the following story of change efforts by Paolo Scaroni. Scaroni successfully turned around two firms, Pilkington (UK glassmaker) and Enel (Italian electric utility) before taking the CEO position at ENI, an Italian oil and gas company (Ghislanzoni, 2006). When asked for his advice on leading change, his answer was to keep things simple and avoid complexity. At Pilkington, he built a community and integrated and centralized finance and purchasing. Scaroni dubbed this "Building One Pilkington" and repeated this message over and over. In another turnaround at Enel, he refocused around core competencies to avoid distraction and decrease the problems to a manageable number.

ENI was in good shape when Scaroni took over, but he believes that organizations can always be improved. His challenge was to foster growth and make changes in an organization that did not need to be turned around. The specific change he wanted to make was completing the integration process that would definitively signal ENI's transformation from a holding company.

Scaroni creates a sense of urgency by setting stretch goals that were reinforced by mechanisms like bonuses and the compensation system. When the business environment is intensely competitive, this creates an inherent sense of urgency. In less-competitive environments, "the only thing you can do to create the appropriate sense of urgency is to benchmark yourself against others so you can see what others have been doing and where you should be doing better. Stretch targets are always a good way to get people to improve quickly" (Ghislanzoni, 2006: 61–62).

Scaroni was asked whether he had employed a different leadership style at ENI than he had at Pilkington or Enel.

> Not really. I normally try to find three or four strategic concepts that sum up the direction in which the company should be moving, build up an organization that believes in these concepts and repeat, repeat, repeat them throughout the organization. I am convinced that communication is a very powerful tool for running very large organizations such as this one. It works fine if people know exactly where they are going, but in order to know this, they need to be able to grasp some easy concepts. If it takes more than one minute to explain a strategy, something is wrong. In my view, it has to be that simple. Successful things are simple; I have never seen successful things that are very complicated. You provide simple guidelines and then repeat them throughout the organization.

> (Ghislanzoni, 2006: 59)

Scaroni's strategic goals involve changing both the mindset and behavior of thousands of employees. While this is the essence of global change, it is never an easy task. The next section describes in greater depth the factors that play a critical role in global change.

Leaders as Catalysts

Kotter (1990) once stated that leadership, unlike management, is about coping with change. Leaders are catalysts, as we see in former BP CEO John Browne's description of how leaders can institutionalize breakthrough thinking:

> The top management team must stimulate the organization, not control it. Its role is to provide strategic directives, to encourage learning, and to make sure there are mechanisms for transferring the lessons. The role of leaders at all levels is to demonstrate to people that they are capable of achieving more than they think they can achieve and that they should never be satisfied with where they are now. To change behavior and unleash new ways of thinking, a leader sometimes has to say, "Stop, you're not allowed to do it the old way," and issue a challenge.

> (Prokesch, 2000: 302–303)

Champy and Nohria (1996) claim that a leader must possess these personal traits to manage change:

Driven by a higher ambition

Able to maintain a deep sense of humility

Committed to a constant search for the truth

Able to tolerate ambiguity, uncertainty, and paradox

Personally responsible for the consequences of their actions

Highly disciplined in their everyday lives

Always authentic

Most of these characteristics, such as humility, authenticity, inquisitiveness, and cognitive complexity, were identified in Chapter 3's global leadership competency lists. Global leaders have to live with ambiguity and paradox when making changes because the need to take quick action may preclude the luxury of extensive diagnoses. The results of major changes are seldom completely predictable. Discontinuous thinking and a global mindset help leaders come up with the right change goals and tactics at the right time. Good change agents know that they must first understand and then change people's mental maps in order to implement a change. This involves mindful communication and the ability to engender trust, which rests on authenticity. Finally, the articulation of a vision and the ability to communicate this vision are key competencies for global leaders, as seen in the following sections.

Creating the Right Vision

The capability that was most valued in a large study of global managers from eight countries was *the ability to articulate a tangible vision, values, and strategy* (Yeung & Ready, 1995). The other five capabilities they identified all contribute to successfully managing global change: *being a catalyst for strategic change, being results-oriented, empowering others to do their best, being a catalyst for cultural change, exhibiting a strong customer orientation.* Closeness to the customer helps identify the right vision and promote a culture that is open to change. Larry Bossidy, former CEO of Honeywell and Allied Signal, said, "I think that the closer you come to the customers, the more you appreciate the need to change. And the more inwardly focused you are, the less you understand that need. As we get more and more customer focused, we don't have to preach about the need to change. People know it" (Tichy & Charan, 1995: 247–248).

Without a clear vision for global change, employees will not leave "the known for the unknown" and change their behavior. Stories from successful global CEOs reveal: (1) a clear vision for change that made sense to followers, (2) that they communicated over and over again, (3) accompanied by a blueprint for achieving the vision.

Selecting the right change target depends on the environmental scanning and creative abilities of the global leader and others in the organization. In some firms, the top management team or employee groups help with this function, even though leaders are ultimately responsible for ensuring that it takes place and is accurate. Historically, senior management at Nokia assigned 5 to 15 themes of critical interest to the firm to cross-functional strategic planning teams, involving as many as 400 employees every six months (Gratton & Ghoshal, 2005). The teams interviewed experts inside and outside Nokia and summarized their findings in reports called Strategy Road Maps. As with strategic planning, consensus was building that determining the vision for change should be a participative effort rather than the sole responsibility of one leader. Ironically, Nokia is criticized at present for losing its innovative edge by becoming complacent and myopic and failing to pay sufficient attention to radical innovations and new sources of competition. Nevertheless, other firms would benefit from adopting the process Nokia used and accepting that senior management alone cannot set targets for change. "Conditions associated with the global economy's new competitive landscape—shorter product life cycles, ever-accelerating rates and type of change, the explosion of data and the need to convert it to useable information—prevent single individuals from having all the insight necessary to chart a firm's direction ... Insightful top managers recognize that it is impossible for them to have all of the answers, are willing to learn along with others, and understand that the uncertainty created by the global economy affects people at the top as well as those lower down in the organization" (Ireland & Hitt, 2005: 65).

Change targets should be results-driven (e.g., increase market share) rather than activity based (e.g., train 1,000 employees in emotional intelligence). The change should be closely linked to business issues and performance so employees can readily see its relevance. Changes are more likely to succeed if they are in line with the organization's history and core values (except when those values are part of the problem and modifying the organizational culture is the change goal). Understanding the organization's culture also clarifies what should *not* be changed because it serves as the organizational glue or strongly relates to key success factors. Lafley, former P&G CEO, stated that the company's purpose and values were not going to change, but strategy and execution would be improved—"*So I was very clear about what was safe and what wasn't*" (Gupta & Wendler, 2005: 4).

One of the ways a single person can begin to influence a large organization is to envision a feasible and powerful future and paint a picture of that vision for others. Larry Bossidy is a proponent of the "burning platform" theory of change in which the leader is the catalyst. When an oil rig catches fire and the foreman orders the workers to jump into the ocean, they don't automatically obey. Fear of the ocean or sharks and so forth will hold them back until they see the flames actually burning the platform.

The leader's job is to help everyone see that the platform is burning, whether the flames are apparent or not. The process of change begins when people decide to take the flames seriously and manage by fact, and that means a brutal understanding of reality. You need to find out what the reality is so that you know what needs changing. I traveled all over the company with the same message and the same charts, over and over. Here's what I think is good about us. Here's what I'm worried about. Here's what we have to do about it. And if we don't fix the cash problem, none of us is going to be around. You can keep it simple: we're spending more than we're taking in. If you do that at home, there will be a day of reckoning.

<div align="right">(Tichy & Charan, 1995: 247–248)</div>

Bossidy increased the perceived need for change by highlighting the "creative tension" (Senge, 1990) that results from perceiving the gap between the ideal situation (the organization's vision) and an honest appraisal of its current reality. By focusing attention on problems or opportunities and taking their change story to many groups of employees at all levels in the organization, global leaders can "turn up the heat" and create a sense of urgency.

As organization development (OD) consultant Richard Beckhard stated: "For change to be possible and for commitment to occur, there has to be enough dissatisfaction with the current state of affairs to mobilize energy toward change. There also has to be some fairly clear conception of what the state of affairs would be if and when the change was successful. Of course, a desired state needs to be consistent with the values and priorities of the client system. There also needs to be some client awareness of practical first steps or starting points toward the desired state" (Beckhard, 1991: 664).

Communicating the Vision

Bossidy's earlier statement, "I traveled all over the company with the same message and the same charts, over and over" (Tichy & Charan, 1995: 248) is typical of global leaders. To personally convince employees about the need to embrace the change, the message has to be consistent and repeated. Without consistency, the message is distorted as it is passed up and down hierarchies and across cultural borders, much like the children's game of "Telephone." Without repetition and the commitment demonstrated by leaders, employees "sit out" change efforts, assuming that this is just another in a long line of management fads that will pass when a new CEO is named or when the current top management team's attention is drawn to a more pressing issue. Sharing evidence and making a case for change that touches people's emotions to increase the level of dissatisfaction with the status quo, reiterating the perceived need for change, and painting a vivid picture of the desired end state are essential parts of the unfreezing process.

The change message is communicated more effectively when it contains a simple metaphor or slogan that travels well across cultures. Even though P&G hires the smartest students from the best schools, Alan Lafley says the need to communicate at a "Sesame Street level of simplicity" was one of his most significant lessons after becoming CEO (Gupta & Wendler, 2005).

> So if I'd stopped at, "We're going to refocus on the company's core businesses," that wouldn't have been good enough. The core businesses are one, two, three, four. Fabric care, baby care, feminine care, and hair care. And then you get questions: "Well, I'm in home care. Is that a core business?" No. "What does it have to do to become a core business?" [industry global leader, best structural economics in industry, consistent growth rate, and cash flow ROI] So then business leaders understand what it takes to become a core business.
>
> (Gupta & Wendler, 2005: 3)

The simplicity and repetition is needed in part due to P&G's diversity and size—100,000 people from over 100 cultures. But Lafley was also trying to "unclutter employee thinking" so they can stop, think, and internalize the strategy and go on to make their own decisions (Gupta & Wendler, 2005: 3).

The following example of a bank transformation includes lessons about communicating the vision. Hired to improve a large European retail bank with 30,000 employees, the new CEO began by setting performance targets (Lawson & Price, 2003). This was not sufficient for the change he had in mind. Unless the employees changed both the way they worked and their mindset, they would not be able to offer better customer service at a lower cost. The bank's culture had to be transformed from a bureaucracy to a "federation of entrepreneurs" who quickly solved customer problems.

The first step was to develop a convincing story to provide employees with a purpose to believe in. The CEO drafted his story and improved it with feedback from his executive directors. In turn, each of them created a version of the story for their area and delegated the responsibility for one aspect of the story to a team member, who developed a performance scorecard for each deliverable.

The story was then retold by the employees' immediate boss all the way down the hierarchy, giving emphasis to the relevant points for each different audience. In other words, how could each unit and employee provide better service with fewer costs? This process, called dialogue-based planning, was a series of sense-making efforts that involved several iterations, feedback on the stories, and both upward and downward communication flows. For example, employees reported that out-of-order document imagers frequently prevented them from making customer copies efficiently. These were replaced in each branch, and that information was added to the story as an example of a change that helped both employees and customers. For the CEO, the secret to having employees believe and accept the story was to have it describe "how life could be better for all of the bank's stakeholders, not just investors and analysts" (Lawson & Price, 2003: 37).

The tactics that come to mind for communicating a change may be limited to persuasive speeches, newsletters, and memos. However, change agents also influence and communicate change by (Armenakis, Harris, & Feild, 1999):

- encouraging the participation of those who will be impacted by the change in the process;

- supporting human resource management practices (hiring criteria, performance appraisal systems, compensation, employee development programs);

- giving importance to symbolic activities (rites and ceremonies, celebrations);

- instituting diffusion practices (best practice programs and transition teams);

- managing internal and external information; and

- instituting formal activities that demonstrate support for change initiatives (modified organizational structures and new job descriptions).

Corrado Passera, former CEO of Banca Intesa, recommends using the press to communicate change successes in turnarounds of large organization: "Change will only be effective if people are really convinced that they are working for a successful business. Internal results undoubtedly matter, but even they won't count for much if everyone keeps reading in the newspapers that the business is still a poor performer... . People will not believe you unless you can change the organization's image in the media" (Ghislanzoni & Shearn, 2005: 77).

Building a Community

Charles Handy, noted British management thinker, predicts that companies in the future will not be property owned by shareholders but communities to which people belong. Rather than workers, employees will be citizens with rights and a share of the profits that they create (Handy, 2001). While they may not go as far as Handy predicts, successful global leaders do indeed create communities. This theme is heard repeatedly in global leader interviews, witness Scaroni's slogan "Building One Pilkington" (Ghislanzoni, 2006). Here's a similar mention of community building from a global leader: "I had to create one culture and one integrated organization … nearly every day I was meeting with parts of the organization, explaining what we wanted to achieve, giving feedback, listening to their concerns and doubts" (Higgs & Rowland, 2009: 51). The leaders of large, multicultural, and geographically distant organizations have to bring the members of their heterogeneous groups together before they can act in concert. "A sense of community may be the "glue" in global organizations that builds enough consistency to risk major changes and survive the unanticipated consequences inherent in change efforts" (Osland, 2004: 134). Wellsfry (1993) found that building work communities in organizations led to innovation, action, and change in a dissertation on global leaders.

Community is born out of shared values, shared language, trust, and a sense of belonging and identification. The trust that accompanies community building lays the groundwork for successful change. Employees seldom exert themselves for leaders they do not trust, which underscores the need for integrity and credibility. Trust is also an issue for the teams charged with carrying out change projects. One of the authors did a series of organizational change seminars in various countries that were attended by change teams from different firms. As facilitators, we readily observed that some teams were highly competitive and dysfunctional, while others operated like effective teams with a high level of trust. When we checked back informally on the teams' progress, we were not surprised to find that the changes directed by the dysfunctional teams were less successful. Their preoccupation with personal agendas and feuds translated into less energy to devote to their change project and less attention to the external forces that threatened their projects. Transformational change can be a difficult, even treacherous journey and is best undertaken with trustworthy companions in a community.

The vision itself can contribute to building a community. When former CEO Sir Colin Marshall announced his vision that British Airways would be "the world's favorite airline," BA was actually ranked close to the bottom of the barrel. Instead of laughing at this goal, his employees were motivated by it. Many people prefer working for successful rather than poorly performing organizations for the sake of their self-esteem and the opportunity to make positive contributions. Therefore, change targets, even bodacious ones like this, unleash employee

motivation and can bring them together if the blueprint for change is clear and the process is carefully managed. Marshall wanted to signal a change in BA's culture from a sole focus on technology and airline safety to a customer focus. One of the interventions that helped them successfully make this transition was a two-day "Managing People First" session that focused on relationship building. About 150 people from various departments and locations were invited, which built community. Marshall demonstrated his commitment and perseverance by attending every one of these sessions.

> I spent two to three hours with each group. I talked with people about our goals, our thoughts for the future. I got people's input about what we needed to do to improve our services and operations. The whole thing proved to be a very useful and productive dialogue. We found it so valuable, in fact, that in cases when I was away, we offered people the opportunity to come back and have a follow-up session with me. So I really did talk to all 110 groups in that five-year period.

> (Burke, 2002: 93)

When a sense of community is lacking in an organization, employees are less likely to make the effort or the necessary sacrifices to realize a vision. Even when people recognize the need for change, self-interest or inertia can prevail if there is no perception that this harms the community. Therefore, many successful changes incorporate community building, as shown in the following example of a "grassroots" change in which a global leader tried to bypass the bureaucracy and change the mindset and behavior of the frontline employees and work directly with them (Pascale, 1999).

Steve Miller, group managing director of Royal Dutch/Shell Group of Companies, set up a "retailing boot camp" for 6- to 8-person teams at a time from six different operating companies throughout the world. After receiving training to identify and take advantage of market opportunities, the teams went home to apply their new skills. Sixty days later they returned to present their analyses and plans to the other teams and provide feedback to one another. They had another 60 days to perfect their business plans, which they then presented in a fishbowl session with Miller and his direct reports; the other teams observed so they could learn vicariously from each team's interchanges with senior management. In exchange for promised results, Miller and his staff approved their plans and made financial commitments to support them. The teams returned to the field to implement their plans and returned in two months for a follow-up session in which they analyzed and learned from what succeeded or failed. Thus, this was a plan to empower, challenge, provide resources, and hold frontline people accountable (Pascale, 1998).

One result was $US300 million worth of audited results to Shell's bottom line. Another outcome was that the corporate culture became more participative and innovative. The third consequence was community building for the grassroots teams, senior management, and by extension, their individual networks. Shell had never before taken midlevel employees and exposed them to employees from different countries or to senior management. As Miller stated:

> The whole process creates complete transparency between the people at the coal face (Shell's term for its front-line activities in the worldwide oil products business) and me and my top management team. At the end, these folks go back home and say, "I just cut a deal with the managing director and his team to do these things." It creates a personal connection, and it changes how we talk with each other and how we work with each other. After that, I can call up those folks anywhere in the world and talk in a very direct way because of this personal connectedness. It has completely changed the dynamics of our operations.

> (Pascale, 1998: 110)

Operationalizing the Change

Percy Barnevik, former ABB CEO, and his team spent 200 days a year communicating their vision and message and helping units figure out what the vision meant in terms of their own work (Ghoshal & Bartlett, 1996). This is called operationalizing the vision. Not only does it set clear expectations for each employee and unit, but it also helps align the organization and symbolizes the leader's commitment to change. A vision without a blueprint for change simply frustrates employees.

Organizational Alignment

Sometimes the change goal or target is to better align the organization. Much of Scaroni's integration efforts at ENI were directed at internal alignment. Even when the change target has an external focus (e.g., market share, new strategic direction), however, organization design components have to be aligned. For example, a new strategy usually requires concurrent, complementary changes in policies, employee skills, staffing, systems, cultural norms, and structure (Pascale & Athos, 1981). Organizations are interdependent systems; changing only one component can result in the systemic resistance that occurs when other components of the organization block the change. For instance, if employees do not possess the skills to use a new IT tool and these skills are not evaluated in the performance management system, implementation will fail. The compensation mechanisms that reinforce new ways of thinking and behaving demanded by a change should simultaneously reward personal results, group results, short-term results, and long-term results (Ghislanzoni & Shearn, 2005). Ensuring the "fit" among components is a key aspect of institutionalizing change. In a study of 500 of the largest European firms, there were significant performance benefits only in the firms that changed structures, processes, and boundaries simultaneously (Whittington et al., 1998). The firms that changed only structures and boundaries but failed to make their processes complementary not only failed to improve their performance—they were worse off *after* the change!

Given the rapidly changing environment, global leaders have to expect to carry out ongoing alignment. Organizational evolution usually consists of periods of incremental change punctuated by discontinuous or revolutionary change. Thus, global leaders and managers face the paradoxical demands of "increasing the alignment or fit among strategy, structure, culture, and processes, while simultaneously preparing for the inevitable revolutions required by discontinuous environmental change" (Tushman & O'Reilly, 1996: 11). In addition to paying attention to the future, this entails a willingness to tear apart what has just been painstakingly cobbled together. As we saw in Lew Platt's quotation in the beginning of the chapter: "We have to be willing to cannibalize what we're doing today in order to ensure our leadership in the future" (Evans et al., 2002: 423). While alignment is a necessity for institutionalizing change, it can also be a barrier to future change if leaders are not willing to cannibalize it. In this sense, alignment can be viewed as a double-edged sword.

Measurement

Following the truism that "people do only what is measured," successful global change projects have a clear, understandable focus that can be measured. Changes should be monitored with a reasonable number (three to five) of carefully thought out metrics. The use of metrics like the Balanced Scorecard allows multinational corporations (MNCs) to target critical success factors and hold employees accountable for achieving them. Recommended general metrics measure the most important performance and health indicators, such as:

Financial performance

Operations (quality and consistency of key value-creation processes)

Organizational issues (depth of talent, ability to motivate and retain employees)

State of product market and position (quality of customer relationships)

The nature or relationships with external parties, such as suppliers, regulators, and nongovernmental organizations (Dobbs, Leslie, & Mendonca, 2005: 67).

Leaders should remember to include several types of measures: performance measures, evaluation of the change itself, and systemic measures of the long-term health of the organization. The concern for organizational health implies a longer time horizon that lays the groundwork for the future (Dobbs et al., 2005). Review processes that are carefully monitored also allow global leaders to keep tabs on the progress of change in far-flung MNCs.

Taking a long-term view of change is important since some changes that are successful in the short run may eventually revert back to the status quo; other changes look like failures in the short term only to prove successful years later. Thus, "when" a change is measured makes a notable difference.

Change Tactics and Contextualization

Accounts of global change produce seven general guidelines:

1. Begin with the basics of planned change

2. Know your company well enough to understand which interventions and tactics will be most effective

3. Understand when solutions and interventions have to be universal (global or corporate-wide) or particularistic (local)

4. Contextualize training and tactics when made necessary by cultural differences

5. Modify mindsets and abilities via training that is culturally appropriate

6. Establish specific, measurable goals

7. Provide rewards and incentives for change

Goss, Pascale, and Athos (1996), consultants who specialize in helping firms make the changes they will need for the future, have this specific advice for staying out ahead:

1. *Assemble a critical mass of key stakeholders.*

2. *Conduct an organizational audit* to identify assumptions, influential functional units, key systems that drive the business, core competencies or skills, shared values, and idiosyncrasies.

3. *Create urgency and discuss the undiscussable* so employees are motivated to question basic assumptions

4. *Harness contention* to jumpstart the creative process.

5. *Engineer organizational breakdowns*, like setting impossible deadlines, so organizational problems become visible.

Such general tactics are very constructive, but they have to be adapted to fit the conditions and history of the specific organization. ABB's philosophy on global change, shown below, represents the lessons learned from their own experience with cross-border mergers. Other companies have learned different lessons or operate in different conditions.

1. Immediately reorganize operations into profit centers with well-defined budgets, strict performance targets, and clear lines of authority and accountability.

2. Identify a core group of change agents from local management, give small teams responsibility for championing high-priority programs, and closely monitor results.

3. Transfer ABB expertise from around the world to support the change process without interfering with it or running it directly.

4. Keep standards high, and demand quick results (Taylor, 1996: 81).

One of the challenges of global change is that not all solutions and interventions are effective throughout a firm's global operations. The vision cannot be operationalized the same way given local differences that are influenced by culture, history, and local business practices. No matter how well-designed corporate-wide solutions and interventions are, they may require some type of contextualization—modification to fit the local

context. This is one of the major lessons about global change. Those who know the local people and culture best need the autonomy and discretion to tailor the change effort so it is appropriate. In the European bank transformation example, each boss developed his or her own story to communicate and operationalize the vision.

Training is a common change tactic because changes require a different mindset, new skills, or new ways of working. Broad-scale training programs signal a deep commitment to the change by the company and send a strong symbolic message to employees.

> However, training programs in global firms have to be contextualized to ensure their relevance and acceptability to different cultures. For this reason, training designs should include room for learning to go in more than one direction. Global change and training are more than the transmission of knowledge from an expert source to a non-expert receiver. Instead, global change is a matter of knowledge creation among different communities; it involves mutual learning.

> (Tenkasi & Mohrman, 1999)

Global firms benefit most when training sessions produce general lessons, recommendations for the rest of the company, and shared knowledge about necessary local adaptations.

Creating a Context for Change

Organizational scholars have long accepted Ashby's (1956) concept of requisite variety, which states that organizations have to be as complex as their environments. This is one of the arguments for development of a global mindset in the workforce. The complexity of employee views in a global firm should equal the complexity of the global environment. Heterogeneous, complex perspectives help firms to perceive opportunities, problems, and solutions that a homogeneous mindset cannot see. In addition, the innovation and creativity so central to many successful change efforts is stifled when employees cannot contribute their diverse views.

The social architecture aspect of a global leader's role involves building an organizational culture with these characteristics that set the stage for change (Osland, 2004):

Entrepreneurship—to foster initiatives and a concern for performance;

Diversity—to attract and retain employees of all types so different views can be heard;

Learning and innovation—to promote renewal and growth and ward off stagnation and obsolescence;

Participation—so diverse views can be heard and employees can express their ideas and feel a sense of ownership;

Trust—so employees believe in the wisdom and fairness of their leaders and colleagues;

Collaboration—so that employees are willing to contribute their efforts to the change effort.

Honda is an example of a firm that successfully created a context for change through its organizational culture and *waigaya* sessions.

> Contrary to what many Westerners might think about the importance of consensus in Japanese culture, institutionalized conflict is an integral part of Japanese management. At Honda, any employee, however junior, can call for a *waigaya* session. The rules are that people lay their cards on the table and speak directly about problems. Nothing is out of bounds, from supervisory deficiencies on the factory floor to perceived lack of support of a design team. *Waigaya* legitimizes tension so that learning can take place.
>
> (Goss et al., 1996: 107–108)

Organizational cultures that value learning are more open to change and innovation. If companies are actively learning, the need for change becomes obvious. As BP CEO John Browne stated, "Learning is at the heart of a company's ability to adapt to a rapidly changing environment. It is the key to being able both to identify opportunities that others might not see and to exploit those opportunities rapidly and fully" (Dess & Picken, 2000: 31). Taking the time to learn what will be successful before leaping to a global implementation plan is another way to benefit from a learning orientation. Action learning, which brings together diverse global teams to study specific issues and make recommendations, is a practice of learning organizations (Dotlich & Noel, 1998), as well as a component of global leadership training programs. The Nokia teams that produce Strategy Road Maps are a good example of action learning.

Innovation

Global change and learning organizations are closely tied to innovation. We have mentioned previously the challenge global leaders face in building organizations that simultaneously manage the present and create the future. In large part, innovation is the solution. Innovation, which is defined as the implementation of new ideas at the individual, group, or organizational level, is closely linked to organizational survival in the global economy. At a 2006 leadership forum, then IBM CEO Samuel Palmisano commented: "The way you will thrive in this environment is by innovating—innovating in technologies, innovating in strategies, innovating in business models." In an IBM survey of CEOs and government leaders, innovation, particularly with respect to new business models, was a major topic of interest and an area that requires personal leadership.

> With product innovation, if you stand up on your soapbox and you cheer a little bit, that will certainly help. But the reason I think that the CEOs have to lead this is because, fundamentally, the biggest breakthroughs are a result of changing the business model and the processes and the culture.... Go back even 10 years ago. Was it natural for IBM to go collaborate around the future of innovation or the future of our technologies? ... Was it natural for IBM to join into the open-source community to talk about standards around lots of technologies? These weren't natural things to occur.... If the CEO doesn't give people permission to go change behavior and to collaborate, then it's not going to happen. Everybody is looking for the signal. They want to know whether things are really changing fundamentally.
>
> (Palmisano in Hamm, 2006)

In addition to signaling that innovations have to be taken seriously, leaders create the architecture needed to foster innovation, follow up on innovations, and repeatedly communicate their importance and publicize successes and failures (Loewe & Dominquini, 2006). While leaders play a crucial role in innovation, they are never the sole reason why some companies are more innovative than others.

Boston Consulting, at the behest of *BusinessWeek*, surveyed 1,070 executives and asked them to name the most innovative companies in the world outside their own industry (*BusinessWeek Online,* 2006). Five common themes emerged as lessons from the nominated firms: (1) opening the doors of R&D labs to work with customers, suppliers, and expert networks, (2) leadership from the top to drive and protect innovation, (3) using a variety of innovation metrics, (4) redesigning the organization to foster coordination and collaboration, and (5) customer insight, based on a close connection with customers and techniques that get at how customers think.

Innovation paid off financially for the *Thompson Reuters 2011 Top 100 Global Innovator* companies (PRNewswire, 2011). They added 400,000 new jobs in 2010, and their average revenue outperformed the S&P 500 by 5.7 percent. Forty percent are US firms, 31 percent are Asian, and 29 percent are European.

Despite the proven worth of innovation, research shows that, according to employee evaluation, most companies are not good at innovation (Loewe & Dominiquini, 2006). Only 85 percent of new ideas ever get to market, and 50 to 70 percent of those that do are failures (Booz, Allen, & Hamilton, 1982; Cooper, 2001; Tucker, 2002). "While operating around the world may help companies generate ideas for innovations, the complexity of the global network is likely to render the evaluation and optimal exploitation of innovation ever more difficult" (Koudal & Coleman, 2005: 22). To increase global markets and reduce costs, organization functions, including Research & Development, are geographically dispersed to an unprecedented degree. Thus, it's no wonder that the ability to coordinate innovation across complex global operations was identified as the key success factor in a study of 650 firms (Koudal & Coleman, 2005). Additionally, those firms that invested heavily in innovation infrastructure showed profits up to 70 percent higher than those who did not. They put their money into: (1) product development capabilities; (2) supply chain process infrastructure like flexible manufacturing, design quality, and the use of common platforms; (3) sophisticated information systems used to synchronize and support innovations across the value chain; and (4) into closer collaboration with customers and suppliers (Koudal & Coleman, 2005). Mondi, a European paper and packaging firm, is an example investing in technology to support innovation. The firm has a web-based "Innovation Zone" where employees contribute ideas that others build upon and improve (Koudal & Coleman, 2005).

Best Buy took an innovative approach to learning about customer insight. Innovation teams generated hundreds of new ideas by observing the behavior of consumers in their normal habitat. Instead of focusing solely on their typical customer—young male "techies"—employees went to observe the American Girl Store in Chicago to understand what draws girls and their mothers to this destination retail store. They also went to Amish country and to poor barrios in Mexico City to comprehend the frustrations of less technologically proficient people (Loewe & Dominiquini, 2006: 26).

Innovation cannot be not limited to employees who work in Research & Development or product development. It's an expectation of all employees, as shown in Whirlpool's logo: "Innovation from everyone everywhere." Truly innovative firms make a concerted effort to hire creative personalities. Lotus Development was an extremely successful start-up founded in 1982 to market Lotus 1–2–3. When the firm hit 1,000 employees, they started hiring primarily outside MBAs from *Fortune 500* companies who transplanted the management techniques appropriate for routine work in big firms. Subsequently, Lotus had difficulty developing and marketing new products. Mitchell Kapor, chairman of the board and former CEO, and Freada Klein (head of organizational development and training) put to the test one of their own hypotheses for the diminished creativity. They tested it by carrying out an experiment. They took the resumes of the first 40 people hired at Lotus, changed the names on the resumes, and put them into the current applicant pool. None of these "applicants" even made it to the interview stage because their backgrounds had too many "wacko and risky things." Instead of linear business careers, they had eclectic experiences like community organization, transcendental meditation teaching, and clinical psychology. To Kapor and Klein, this was evidence that Lotus was systematically weeding out applicants like the creative people who were responsible for the firm's only hit product (Sutton, 2001: 8).

Getting creative people through the door and hiring them is only the first step. Research has identified a long list of organizational conditions, shown in Table 11.4 that either enhance or repress individual creativity in organizations. They can be categorized as designing complex jobs, rewarding creativity, adopting a managerial style that fosters creativity, creating an organizational culture, and developing a structure that promotes collaboration, interaction, and trust and unleashes creativity. Creative leadership—leading others to attain a creative outcome—is increasingly important (for a review, see Mainemelis, Kark, & Epitropaki, 2015). It has to be easy for employees to present their ideas and get a hearing for them without fighting bureaucratic requirements. John Chambers, Cisco CEO, has birthday breakfasts with employees that give him an opportunity to get feedback and hear ideas (Shalley and Gilson, 2004). The organizational culture has to reward risk and refrain from punishing people for errors. Associated Enterprises celebrated mistakes by bestowing an award, the "screw-up of the week," accompanied by an ugly statue that traveled around the office. Thomas Edison once said, "I make more mistakes than anyone else I know, and sooner or later, I patent most of them." Google, definitely an example of a culture that rewards creativity, allows employees to spend 20 percent of their workweek developing their own ideas.

Table 11.4 Contextual Effects on Creativity

Creativity Enhancers	*Creativity Killers*
Focus on intrinsic motivation	Excessive focus on extrinsic motivation
Creativity goals	Limits set by superiors
Developmental feedback	Critical evaluation
Supportive supervision	Close, controlling supervision
Healthy competition	Competition in a win-lose situation
Participative decision making	Control of decision making
Hire creative individuals	Control of information
Enriched, complex jobs	Time pressure
Provision of necessary resources, particularly time	Political problems
Clear organizational goals	
Instructions to employees to be creative	
Recognition and rewards for creativity	
Encourage risk taking	
No punishment for failure	

Autonomy
Productivity
Workforce diversity
Opportunities for internal and external interaction
Diverse teams skilled at working together
Supportive climate
Organizational culture that promotes innovation
Flexible, flat structures
Close interaction and relationships with customers

Source: J. S. Osland, D. Kolb, I. Rubin, and M. Turner (2006) *Organizational Behavior: An Experiential*

Approach, p. 325. (©2006. Printed and electronically reproduced by permission of Pearson Education, Inc., Upper Saddle River, NJ).

The SAS Institute in North Carolina, the world's largest privately held software company, is a good example of a company that manages creativity and innovation well (Florida & Goodnight, 2005). SAS has 10,000 employees and 40,000 customer sites worldwide. The company sells its services in an innovative fashion via subscriptions. Since 98 percent of the subscriptions are renewed, their income is steadier and more predictable. So is their workforce. Their turnover rate is only 3 to 5 percent in an industry that averages 20 percent; they figure this saves them US$85 million annually in recruitment and replacement costs. Their revenues grow annually. CEO Jim Goodnight credits SAS's success and creativity to three guiding principles (Florida & Goodnight, 2005).

1. Help Employees Do Their Best Work by Keeping Them Intellectually Engaged and by Removing Distractions

According to an *Information Week* survey, information technology workers are motivated more by challenging jobs than by salary and financial incentives. SAS keeps its employees stimulated via training, employee white papers on new technologies, a constant stream of new products, and internal R&D expos where technical staff educate nontechnical staff about new products.

SAS asks workers each year what nonwork tasks distract them from their work. Their answers guided the establishment of in-house medical facilities for workers and their families, a day care center and a cafeteria where kids can eat lunch with their parents, workout facilities, and a Work-Life Department that helps workers' children make the right college choice and finds home health care for workers' elderly parents. Dry cleaning, massage, haircut, and auto-detailing services are also available on site at a discount. SAS believes these programs, plus flexible work hours that allow employees to meet their family needs, pay off in higher employee retention and productivity.

The company keeps bureaucratic requirements to a minimum and understands that creativity requires downtime. An SAS proverb is: "After eight hours, you're probably just adding bugs (errors)." SAS believes that creative capital is built by long-term relationships among developers, support staff, salespeople, and customers. Therefore, they focus on careful selection and retention. Their hiring decisions, which can take months to make, are designed to ensure that prospective employees fit the culture. All employees receive the same benefits package, and no jobs are outsourced. "SAS recognizes that 95 percent of its assets drive out the front gate every evening. Leaders consider it their job to bring them back the next morning" (Florida & Goodnight, 2005: 127). Goodnight claims that they "hire hard, manage open, and fire hard." Employees are not terminated when they make errors but for failing to meet performance standards after receiving a second chance with a corrective action plan.

2. Make Managers Responsible for Sparking Creativity and Eliminate Arbitrary Distinctions Between "Suits" (Managers) and "Creatives" (Employees Doing Creative Work)

All SAS managers do hands-on work in addition to managerial responsibilities. Even the CEO still writes code

to send a symbolic message that everyone in the firm is a creative, despite their job assignment, on the same team working toward the same goal. The manager's role is to stimulate creativity by asking good questions, convening groups to exchange ideas, removing obstacles, and getting employees what they need to accomplish their work.

3. Engage Customers as Creative Partners to Enable the Company to Deliver Superior Products

Because SAS is privately held, they track customer satisfaction and opinions, rather than stock prices, which then guide the 26 percent of their budget devoted to R&D. SAS surveys customers annually on desired new features and stores customer complaints and suggestions in a database. This information is fed into product design and updates. At user conferences, SAS aims for creative interchanges. "SAS may be the only company that prints the names of its software developers in product manuals. Customers can—and do—call them up. And because employee loyalty is so high, the developers actually answer the phone: they haven't moved down the road to start-up number seven" (Florida & Goodnight, 2005: 131). SAS aims to build mutual loyalty in customers by releasing products only when they are bug-free.

SAS takes an integrative approach by aligning all the puzzle pieces that culminate in innovation—hiring and retaining creative employees, creating a culture designed especially for creatives, fostering a managerial style that catalyzes and enables creativity, partnering with customers, building long-term relationships, and investing heavily and consistently in innovation infrastructure.

Leading Innovation

Interviews with leaders of companies that are exceptionally innovative revealed the following practices (Hill, Brandeau, Truelove, & Lineback, 2014). Leaders of innovation:

- "create a place—a context, an environment—where people are willing and able to do the hard work that innovative problem solving requires" (Hill et al., 2014: 3), rather than a vision

- focus on these elements in the innovation process: collaboration, discovery-driven learning, and integrative decision making

Pixar Animation Studios implemented several practices to foster collaboration. At other studios, a select few watch the "dailies." At Pixar many employees from different areas attended and saw how their work fit with others' and provided and received feedback on their work. Discovery-driven learning was promoted by continuing to test and modify every story element even during production. Finally, integrative decision making at Pixar involved this principle: no part of a movie is finally done until the entire movie is all done (Hill et al., 2014: 20). Despite the stress this caused for employees, the story was not locked until the end, in order to maximize quality and innovation.

Conclusion

The research on global change leadership is more anecdotal than empirical and therefore warrants further study. The role of global leaders in innovation has received less attention than domestic leaders, although much more is known about innovation from a strategic and product development point of view. Our message in this chapter is that global leaders are especially skilled at catalyzing and managing global change and designing innovative organizations. They practice many of the universal lessons about change management, placing more emphasis on the following areas. Although we have not repeated the lessons of [Chapter 9](#), "Leading Global Teams," global leaders rely heavily on teams to carry out their vision. From accounts of successful global change agents, they also rely on inspiring visions that have to be carefully crafted to cross cultural and organizational boundaries without losing their meaning. Perhaps the most surprising finding is how much time and travel global leaders devote to communicating the vision and working with employees at various levels to operationalize the vision and clarify what that means for themselves and their work unit. This signifies a great deal of persistence and commitment. Furthermore, their efforts in this regard also generate trust and build the community that lays the groundwork for change.

The organizational architecture identified as a competency of global leaders in [Chapter 3](#) is very evident in both global change and innovation. Global leaders align the various organizational components to support changes and then take the puzzle apart and realign them yet again to anticipate future needs. They build organizational cultures that support change and innovation and create a context for change so it is not an uphill battle and so that the need for change becomes self-evident to many employees. The size and complexity of global organizations makes architectural design and modification a challenging task. Thorough alignment also requires persistence.

Global leaders take cultural differences and local history and conditions into consideration when planning and implementing change. Rather than allow cultural difference to be an obstacle, they leverage cultural values that support the desired change. Implementation plans, and training in particular, are contextualized so they are appropriate for the local context.

To be effective change agents, global leaders require knowledge related to future trends and knowledge about the change management and innovation, the impact of culture, and a deep understanding of the organization. Change agents and leaders also need self-knowledge in the form of self-awareness. A leader's vision comes from reflection on the tasks they find most engaging and what they see as their purpose in life. There is a truism that it is impossible to change an organization without changing oneself in the process. This is captured best by an African proverb:

When I was a young man, I thought I would change the world.

When I was middle-aged, I thought I would change my village.

Now that I am an old man, I think I will change myself.

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Responsible Global Leadership

GÜNTER K. STAHL, NICOLA M. PLESS, THOMAS MAAK, AND CHRISTOF MISKA

As the world has slowly recovered from the effects of the global economic crisis and according to some, the parallel crisis of management ethics (e.g., Fry & Slocum, 2008; Waldman & Galvin, 2008), business leaders have come under more scrutiny than ever before. This situation is partly due to the highly publicized corporate scandals and instances of management misconduct that eroded public faith and fueled legislative reactions, including the Sarbanes-Oxley Act. Scandals have brought to the forefront the recognition that leaders of organizations may be acting irresponsibly more often than previously thought (Bansal & Candola, 2003; Brown & Treviño, 2006; Schwartz & Carroll, 2003). There is also a growing awareness that the costs of managerial misconduct are enormous, whether in terms of the loss of business, damaged corporate reputations, alienated customers, litigation costs, or damages paid (Arnott, 2004; Ebersole, 2007; Leatherwood & Spector, 1991; Zolkos, 2002). The Volkswagen emissions scandal is a recent example showing the magnitude and the detrimental effects of managerial malpractice on a global scale. In extreme cases, such as the Enron stock crash, the collapse of the entire company and the ensuing loss of jobs, pensions, and value of annuities and retirement funds resulted from irresponsible behavior by corporate leaders. Managerial misconduct also may have less direct and visible consequences, such as negative work climates, demoralized employees, or difficulties attracting, recruiting, and retaining talent (Stahl et al., 2012). For society, the indirect costs may take the form of loss of confidence in the marketplace, loss of government revenue in the case of bailouts, and a tarnished image of corporate leadership (Waldman & Galvin, 2008). Irresponsible behavior by business leaders thus affects a range of stakeholders, including investors, employees, customers, and larger society.

The quest for responsible leadership is not only a response to large-scale business scandals and calls for more ethical managerial conduct but also a result of changes and new demands in the global marketplace (Pless, Maak, & Stahl, 2011; Puffer & McCarthy, 2008; Waldman & Galvin, 2008). One demand is the expectation of stakeholders that corporations and their leaders will take a more active role as citizens in society and contribute to the "triple bottom line" (Elkington, 1997) by creating environmental, social, and economic value (Bansal, 2002; Hart & Milstein, 2003; Maak & Pless, 2009). The Sustainable Development Goals, spearheaded by the United Nations, are a reflection of this development. The new sustainable development agenda aims to transform the world through collaboration between governments, the private sector, and civil society (UN, 2015). For businesses this translates into the need for leaders to exert their influence in a global stakeholder environment (Voegtlin & Pless, 2014) and that leaders "contribute to the creation of economic and societal progress in a globally responsible and sustainable way" (EFMD, 2005: 3). As the growing number of public-private partnerships, social innovations, and leadership initiatives (e.g., "Tomorrow's Leaders Group of the World Business Council for Sustainable Development"; "The Global Business Coalition on HIV/AIDS") indicates, more and more business leaders in fact accept their responsibility to help find solutions to pressing global problems, such as poverty, environmental degradation, pandemic diseases, and human rights protections (Maak & Pless, 2009). Surveys of senior executives conducted by the strategy consultancy McKinsey & Co. (McKinsey, 2006, 2010) reveal, however, that a knowing-doing gap persists with regard to responsible leadership: executives recognize their broader responsibilities as global citizens, but they also struggle to cope effectively with the wider social, political, and environmental issues facing today's business leaders.

The trend by which more and more managers operate in a global environment further compounds this challenge. As various authors have pointed out (e.g., Beechler & Javidan, 2007; Bird & Osland, 2004; Lane et al., 2009; Levy et al., 2007; McCall & Hollenbeck, 2002; Mendenhall, 2008), the challenges facing managers in the global arena are considerably more demanding than those encountered in a domestic environment, because the global context increases the valence, intensity, and complexity of several dimensions for leaders, namely,

- a setting characterized by wider-ranging diversity

- greater need for broad knowledge that spans functions and nations

- more stakeholders to understand and consider when making decisions

- wider and more frequent boundary spanning, both within and across organizational and national boundaries

- a more challenging and expanded list of competing tensions both on and off the job

- heightened ambiguity surrounding decisions and related outcomes/effects

- more challenging ethical dilemmas related to globalization

Extending this complexity even further, executives of global corporations must balance various needs, such as global integration and local responsiveness, to ensure global consistency in corporate social responsibility (CSR) approaches and initiatives while at the same time being sensitive to local cultural norms and expectations (Donaldson & Dunfee, 1999; Husted & Allen, 2006; Pless et al., 2011). In addition to the competencies identified in global leadership literature (see Chapter 3), dealing effectively with these challenges requires moral judgment (Brown & Treviño, 2006), an ability to balance contradictions (Marquardt & Berger, 2000), and a means to determine when different is different and when different is simply wrong (Donaldson, 1996).

These two major trends in international business—globalization and the quest for responsible leadership—in turn raise two fundamental questions: What are the qualities that predispose business leaders to act responsibly in an increasingly complex, global, and interconnected world? And how can organizations develop these qualities in their current and future leaders? In this chapter, we provide tentative answers to both the "what" and the "how" questions for developing responsible global leaders. To date, global leadership research has not adequately addressed these questions, and the ethical dimensions and social responsibility aspects of global leadership remain underexplored. Various authors stress the importance of qualities such as honesty and integrity and highlight that both personal and company standards are far more prone to being compromised in a global context (e.g., Black et al., 1999; McCall & Hollenbeck, 2002). However, for the most part, research has failed to address the complex ethical dilemmas that face global leaders, their choices for resolving those dilemmas, or ways to develop responsible global leadership in organizations.

We begin by exploring what it means to be a "responsible" leader, specifically by considering the challenges and dilemmas facing executives in four key CSR domains: diversity, ethics, sustainability, and citizenship. We describe three prototypical approaches to CSR—global, local, and transnational—and discuss their implications for global executives, with a particular focus on the tensions and possible trade-offs between globally integrated and locally adapted CSR strategies, the constraints they impose on managerial behavior, and the competencies they require in global leaders. We conclude by discussing approaches for promoting responsible global leadership in organizations and offering recommendations for how organizations can effectively prevent, manage, and control the risks of irresponsible leader behavior.

What Is Responsible Global Leadership?

Despite a large, rapidly growing body of research on behavioral decision making and managerial ethics (for reviews, see Kish-Gephart, Harrison, & Treviño, 2010; Maak & Pless, 2006; O'Fallon & Butterfield, 2005; Stahl, 2011; Tenbrunsel & Smith-Crowe, 2008), no generally accepted definition of "responsible leadership" exists. Miska and Mendenhall (2015), after analyzing the emerging research field of responsible leadership, conclude that over the last few years the focus on the phenomenon has considerably broadened. Essentially, three generic perspectives can be derived: *agent views* that see managers as agents of business owners and shareholders with the main responsibility to safeguard profits in Milton Friedman's (1970) neoclassical tradition; *converging views* according to which managers aim to reconcile economic and strategic logic with stakeholder considerations following a "doing well by doing good" approach (Porter & Kramer, 2006); and normative *stakeholder views* that are rooted in relational and ethical considerations acknowledging the demands of a broad stakeholder community (Miska et al., 2014). However, despite these generic perspectives, often the question remains, "what is responsible leadership?"

While a unifying definition of responsible leadership has still to emerge, there is agreement among scholars that interaction with stakeholders constitutes an essential part of responsible leadership (Doh & Quigley, 2014; Maak & Pless, 2006; Miska et al., 2013; Voegtlin et al., 2012). Drawing on the definition of Maak et al. (2016), we define responsible leadership as "a relational influence process between leaders and stakeholders" (p. 464) and understand that this process is geared toward the establishment of social responsibilities toward stakeholders.

Most definitions of social responsibility represent one of two schools of thought: proponents of a shareholder primacy model (e.g., Friedman, 1970; McCloskey, 1998; Sundaram & Inkpen, 2004) argue that maximizing stockholder value is the only, or most important, goal that executives should consider when making decisions. Critics of this position (e.g., Donaldson & Preston, 1995; Grant, 1991; Freeman & McVea, 2001) insist that a single-minded focus on shareholder value maximization imposes costs on various other constituencies, such as employee layoffs, barely acceptable wages and working conditions, environmental pollution, and so on. Therefore, according to this second school of thought, business leaders should make decisions that consider the needs and demands of broader sets of stakeholders. To bridge the gap between the shareholder primacy model and stakeholder theory, Schwartz and Carroll (2003) have proposed a multidomain approach to CSR, in which the three core domains of economic, legal, and ethical responsibilities exhibit some degree of overlap. Thus, executives may engage in multiple domains and address the needs of multiple stakeholders simultaneously (see Pless, Maak & Waldman, 2012).

In this chapter, we focus mainly on the ethical responsibility domain but also consider the economic and legal dimensions of CSR when necessary. The latter are by no means less important for defining the obligations of businesses in society, but there is less disagreement about the economic and legal responsibilities of business leaders. The notion of an economic responsibility, in terms of delivering an appropriate level of financial returns to shareholders, is accepted by both stakeholder theory and traditional economic views, and both views accept the need to adhere to laws and regulations in society (Freeman & McVea, 2001; Waldman & Siegel, 2008). From a leadership point of view, the more interesting and controversial aspects of CSR pertain to the nature and extent of those obligations that extend beyond economic and legal responsibilities. These responsibilities reflect the expectations placed on business leaders by corporate stakeholders and society as a whole.

Vogel (2005) thus speaks of a market for virtue, in which businesses and their leaders compete for values and ethical standards. Such ethical responsibilities are ill-defined and vary across institutional and cultural contexts. As Vickers (2005, p. 30) noted, "global corporations operate in nations where bribery, sexual harassment, racial discrimination, and a variety of other issues are not uniformly viewed as illegal or even unethical." In this respect, it is particularly important to consider that nowadays some of the largest and comparably fastest-growing economies are emerging countries like China and India. They have become

relevant and influential actors in the global business arena. However, in many of these countries, rapid economic growth has resulted in considerable societal problems, such as a precipitously growing gap between rich and poor, and environmental hazards, such as natural destruction and overexploitation of natural resources. In addition, emerging economies are often characterized by political instability, weak institutional environments, and shaky rule of law (Maak, Pless, & Voegtlin, 2016; Stahl et al., 2016). Furthermore, stakeholder expectations about the very nature of CSR differ across economies (e.g., Witt & Stahl, 2016), and therefore the perceived legitimacy of stakeholder groups and the nature of stakeholder pressures on global managers tend to vary. For example, Xu and Yang (2010) identified the safeguarding of progress and social stability through patriotism and promotion of national prosperity as one of China's unique CSR dimensions. In addition, the "Harmonious Society" policy as launched in 2006 by China's Communist Party aims to address pressing social and environmental challenges (See, 2009). Compared to other countries, these dynamics are rather unique. Collectively, the large-scale trasnformations over the last few years and the evolution of new global business players with indigenous CSR expectations and requirements put an even higher burden on the shoulders of global managers and their ethical evaluations of responsibilities in the light of a global stakeholder community.

Essentially, global executives' ethical responsibilities can broadly be classified into two categories—"doing good" and "avoiding harm" (Stahl & De Luque, 2014). "Avoiding harm" activities (proscriptive morality) refer to the refrainment of actions that have harmful consequences for stakeholders and the larger society. These may include the ensuring of safety of products and services or avoidance of environmental destruction, corruption, and discriminatory hiring practices. "Doing good" activities (prescriptive morality) go beyond minimum legal and regulatory requirements and are aimed at improving societal welfare. These may go beyond philanthropic activities and include access to products, community development projects, engagement in multi-stakeholder initiatives, and development and implementation of social innovation. The global context, due to its diversity in stakeholders and attendant different expectations, requires that business leaders carefully consider their ethical responsibilities along both dimensions.

Corporate Social Responsibility Domains and Associated Leadership Challenges

The demand for global executives to act in accordance with the needs and expectations of a multitude of stakeholders, both locally and globally, creates significant leadership challenges that constitute four major areas: diversity, ethics, sustainability, and citizenship.

The Diversity Challenge

The need to interact with and manage a multitude of stakeholders, spread across the globe, means that managers of global organizations confront a diversity of values, perspectives, and expectations. Responding effectively to this diversity requires broad knowledge about constituencies, a willingness to include different voices into the corporate dialogue and decision-making process, and the capacity to balance multiple and often-competing stakeholder interests. It also requires a simultaneous consideration of the ethical, economic, and legal dimensions of doing business in different countries and regions (Schwartz & Carroll, 2003). Multiple stakeholders with multiple agendas exist at multiple levels (Aguilera et al, 2007; Devinney, 2009), so global managers often find themselves torn in trying to address the expectations of different constituencies. Badaracco (1992) shows that the myriad of stakeholder demands that confront executives of global corporations often include conflicts of right versus right (i.e., various legitimate demands compete), and not only right versus wrong.

The case of a senior executive of a large German bank illustrates some of the challenges involved in leading responsibly in an environment characterized by multiple, and partially conflicting, stakeholder expectations:

> Robert Heinen, the general manager of the Japanese branch of the German DCN Bank [names have been changed], faced a decision about whether to work to increase the proportion of women in higher management levels in this branch. On the one hand, the bank's core values and corporate credo emphasized diversity and equal opportunity. During his four-year tenure as general manager, the branch had recruited many women, and he generally found them to be competent and hard working. The annual performance and potential evaluations that the bank had recently introduced to review its global talent pool showed that the young Japanese women working in this branch on average scored higher in terms of both performance and leadership potential than did men in similar positions. These results had prompted an intense debate among the bank's senior managers. Previously, only one women had been promoted to senior management, and women made up less than 10 percent of the high-potential pool. Shouldn't this number be much higher, in light of the results of the talent review? However, a previous effort to enhance the career advancement of women in the branch had encountered strong opposition, not only from the bank's predominantly Japanese clients but also from high-ranking government officials with whom the bank's senior executives had to interact. Many male employees resented reporting to a female manager, and some had openly voiced their displeasure with Heinen's decision to promote women to management positions, declaring they would rather quit than work for a female boss. After long and controversial discussions, in which the German expatriates strongly advocated the need to promote gender equality and their Japanese counterparts equally forcefully argued against any "radical" and "culturally inappropriate" management actions, Heinen decided that the time was not yet right to promote a significant number of female employees to management positions.

How should the general manager have balanced his obligations to the various parties affected by his decision: young Japanese women, whose career prospects were at stake; the bank's corporate customers and male Japanese government officials, who were unaccustomed to dealing with female executives; the expatriate managers who comprised his management team and insisted on fair and equitable treatment of all employees; and the predominantly male employees, who resisted any attempts to promote gender equality and increase the proportion of female managers in this branch? These stakeholders all had different expectations and vested interests; it was clear that in meeting some obligations, the executives of this bank would inevitably fail to meet others. Thus,

> After carefully weighting the pros and cons of the various options, Robert Heinen decided that a long-term approach was needed to tackle the problem. He and his management team launched a three-year program aimed at improving career opportunities for women in this branch. The program, "Making DCN Bank Japan a Great Place to Work for Women," included training and career coaching for women, changes in career development systems and promotion criteria, and efforts to build awareness about gender issues and create acceptance among male employees. Heinen and his team went to great lengths to demonstrate that gender equality was a top management priority, and he made it a point to personally introduce recently hired or newly promoted female managers to key customers and important government officials. Through this program, DCN Bank Japan significantly increased its proportion of female managers and reduced turnover rates among women. In addition, internal surveys showed that team productivity, job satisfaction, and personal motivation among women improved.

This case illustrates that effectively responding to the needs of a diverse set of stakeholders requires an ability to balance different, and often conflicting, stakeholder demands and expectations. It also highlights the virtue of patience and cultural sensitivity as necessary factors in implementing global CSR initiatives and overcoming resistance at the local level.

The Ethics Challenge

Executives operating in a global, multicultural environment face complex ethical issues and moral dilemmas (Schraa-Liu & Trompenaars, 2006), often stemming from questions such as (DeGeorge, 1993; Donaldson, 1989),

Shall we apply the same technological, environmental, and safety standards in developing countries?

How should we deal with gifts from business partners, in particular in cultures where such giving is highly regarded?

How should we react to bribery attempts by government officials?

Is there a way to adhere to fundamental moral principles, such as human rights, while also being sensitive to cultural differences?

The scenario facing an operations manager for Levi-Strauss in Bangladesh illustrates the challenges when trying to make ethical decisions across geographic, cultural, and legal boundaries:

> After running an ethical audit, the operations manager discovered that two of his contractors employed children under 14 years of age. This practice was allowed under local law, but it violated International Labor Organization standards and company values and guidelines, which required such employment practices to be terminated. Inquiring further into the causes of child labor, he discovered that termination of their employment would likely drive the children to look for other jobs, most likely worse ones (perhaps even prostitution) and thus create further physical, psychological, and emotional hardships. He also realized that most of the children were the main providers of food and resources for their families, and sometimes the only breadwinners. Terminating their jobs would jeopardize the well-being of the whole family.

> (Sources: Buller, Kohls, & Anderson, 2000; Pless & Maak, 2017; Schoenenberger, 2000)

This case exemplifies a classic dilemma that cannot easily be reconciled. Simply enforcing compliance with existing global rules and regulations would lead to terrible hardship for the children and their families. But adhering to local standards and continuing to employ children was not an option. Ethical decision making requires managers to balance global and local perspectives and come up with morally imaginative solutions that align the interests of diverse stakeholders and reconcile moral differences on a higher level (Werhane, 1999; Johnson, 1993; Schraa-Liu & Trompenaars, 2006).

The Sustainability Challenge

Sustainability or sustainable development has emerged from the discussion on environmental management, closely related to the discourse on global warming and climate change (Gore, 2007; Stern, 2007). It is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their needs" (Brundtland, 1987). This definition contains a temporal dimension that stresses environmental stewardship, in terms of the long-term orientation required to ensure that future generations can thrive and flourish, even though this stakeholder group lacks a voice. It also raises the question of the extent to which leaders and corporations are responsible to not-yet-born members of society (Pruzan & Miller, 2006). This long-term perspective stands in sharp contrast with pressures from financial markets to maximize short-term gains, as was aptly illustrated by the global economic crisis.

Despite such pressures, the number of companies that have implemented sustainable business practices is growing rapidly. Consider the environmental turnaround at Interface Inc., the world's largest manufacturer of commercial floor coverings:

> In the early 1990s Ray Anderson, founder and then the CEO of Interface, was asked to give a presentation on sustainable development at Interface. He was caught off guard and later openly admitted that he did not have much to say on the topic. By sheer coincidence, a book by

Paul Hawken landed on his desk around the same time, entitled *The Ecology of Commerce.* As he began to read it, a thought dawned on him: He was a plunderer of the Earth. "Some day," he now likes to say in his frequent speaking appointments, "they will put people like me in jail." Anderson realized that he was exploiting the Earth's natural resources without thinking about the ecological footprint his company would leave for coming generations. For him, reading Hawken's book was an epiphany. In the years since, he set forth to lead one of the biggest and most fundamental transformations in modern business, inspiring innovations that have affected many other organizations and industries, to create the biggest, cleanest, most innovative, and most profitable industrial carpet manufacturer in the world. It is by no means a small achievement. The business of producing commercial carpet and floor tiles is a toxic one; it uses nylon and adhesives that are primarily created from oil and chemicals. In 1994, Interface was using more than 500 million pounds of raw material each year, producing more than 900 million tons of emissions and 2 billion liters of wastewater (Rothman & Scott, 2003). The challenge thus has been to identify ways to save resources, overcome technology barriers, get suppliers on board to deliver environmentally friendly raw materials, keep employees motivated and engaged, realize quick wins, and convince shareholders that the process would be profitable. The successful change initiative under Anderson's leadership has been guided by a mission of becoming a zero-emission business by 2020. In the process, Anderson also realized that "the sustainability initiative has been amazingly good for business." Thus what began as a "mid-course correction" (Anderson, 1998) is now spearheading the company's "new industrial revolution" to create the ultimate sustainable enterprise that not only reconciles economic, environmental, and social bottom lines but enhances all of them at the same time.

(Source: Maak & Pless, 2008)

A dramatic overhaul of a company's business model in response to stakeholder concerns was an exception in the 1990s, but today, we find heightened awareness of the consequences of global warming and other environmental threats, as well as significant pressure to protect and preserve the natural environment. The increasing activism of powerful stakeholders, including international environmental nongovernmental organizations (NGOs), requires that global corporations and their leaders engage in dialogue with various stakeholders and eventually react to societal demands (Spar & La Mure, 2003; Zadek, 2004). Interface has illustrated that firms can benefit when they actively contribute to the triple bottom line (Elkington, 1997) by creating environmental, social, and economic value.

The Citizenship Challenge

Many corporations work hard to be seen as good corporate citizens, engaging in community work, investing in infrastructure, and providing volunteer opportunities for their employees in their local communities. However, in a global environment, the citizenship responsibilities of corporations go beyond giving back to local society. In particular, considering the influence of large multinational corporations (MNCs)—some of which have more power than most nation-states (a widely cited UNCTAD study indicates that 5 of the 10 largest economies in the world are corporations, not countries)—these firms and their leaders are expected to recognize and assume political co-responsibility (Maak, 2009; Scherer et al., 2006). This responsibility is not limited to the countries in which they operate but also applies to socio-political issues in the global arena, especially with respect to human rights, social justice, and environmental protections.

The following case provides an example of the citizenship challenge that leaders of MNCs operating in countries characterized by weak institutions, underdeveloped legal systems, and corrupt governments can face:

In 1995 Shell and its local subsidiary SPDC (Shell Petroleum Development Company of Nigeria Limited), which was co-owned by the military dictatorship that ran the Nigerian government, were accused of shirking their responsibilities to the indigenous Ogoni people, who had been living for centuries as farmers and fishers in the Niger Delta, on land where Shell and its partners exploited oil resources. Instead of giving back to the Ogoni and providing them with jobs and infrastructure, oil exploitation and gas flaring resulted in the destruction of their ecological habitat, causing severe health problems among locals. Furthermore, the company came under pressure because it did not try to stop the military government, the operation's co-owner, from executing the writer and civil rights activist Ken Saro-Wiwa, who had founded and led the Movement for the Survival of Ogoni People (MOSOP), an NGO representing the rights and interests of the Ogoni people. In a show trial, Saro-Wiwa had been falsely accused by the dictatorship of responsibility for the death of other activists. Shell's approach to dealing with accusations from local stakeholders such as MOSOP was to hide behind a pure economic-technical business orientation, stressing its position as a nonpolitical, private actor and asserting that its actions were consistent with Shell's global code of conduct. The way Shell handled the situation created the impression that it was collaborating with a corrupt government, which provoked a global outcry and seriously damaged Shell's reputation.

(Source: Pless, 1998; Pless & Maak, 2005)

In May 2009, 14 years after the execution of Saro-Wiwa and eight fellow Ogoni activists, a court case opened in New York City accused Shell of condoning human rights violations committed by the former military government and collaborating with the authorities who arranged the executions (Green & Peel, 2009). The trial raised again the question of Shell's political co-responsibility for the murder of the Ogoni activists and, more generally, the political role that companies play when they do business in rogue states. In essence, the Shell Nigeria case exemplifies the need to be aware of the political role that comes with economic power, especially

in less-developed political contexts, and be prepared to take on political co-responsibility.

The above-described leadership challenges in the areas of diversity, ethics, sustainability, and citizenship highlight that global executives must act in accordance with the expectations and legitimate demands of a diverse set of stakeholders. These challenges are more complex in a global context, because pressures to adapt or fit in often combine with an incomplete and inaccurate understanding of the local operating contexts. A prominent example is IKEA's removal of women from its Saudi Arabian catalog:

> When in 2012 IKEA systematically deleted the images of women from its catalogue in Saudi Arabia, the global furniture retailer with Swedish roots was confronted with massive media criticism from various Western countries and received severe condemnation from Swedish politicians. IKEA's catalogue is an important marketing instrument and usually tends to present the company's products in a generally standardized way in most countries. However, in the Saudi version of the catalogue females were systematically deleted, which gave the impression that IKEA adopted to Saudi Arabian cultural orientations, where women's rights are considerably restricted due to a severely conservative interpretation of Sharia law. Not only did IKEA ignore basic human rights, the step to remove women from its Saudi catalogue was as well in stark contrast to IKEA's core values, such as "daring to be different", and "leadership by example". IKEA apologized and published an official press release on its website, accepting fault.

(Source: Miska & Pleskova, 2016)

When global executives engage in unethical or illegal activities, it often reflects a naïve form of cultural or political relativism. For example, managers may accept bribery or unlawful conduct because they think it is acceptable in the host country or will not be discovered by the inadequate control systems and lax enforcement setting (Donaldson, 1996; Puffer & McCarthy, 2008). Other managers make the opposite mistake and uncritically apply global standards, rules, or policies to situations that require culturally sensitive handling. When Shell engaged in a business partnership with the Nigerian government, it should have realized that by doing so, it was entering the political arena, creating some political responsibility and accountability for itself. This comparably applies to IKEA in Saudi Arabia with regard to human rights and gender equality. In contrast, when the Levi-Strauss manager in Bangladesh attempted to address the problem of child labor, he could not simply apply global standards but needed a sustainable solution that could eliminate the problem while also demonstrating cultural sensitivity. In the global arena, both cultural relativism and ethical imperialism are likely to lead instead to inappropriate, irresponsible leadership behavior.

In the next section, we elaborate on these ideas and present three approaches to responsible global leadership.

The Challenge of Responsible Global Leadership: Balancing Global and Local Requirements

Recently, several scholars (e.g., Arthaud-Day, 2005; Filatotchev & Stahl, 2015; Hah & Freeman, 2014; Husted & Allen, 2006; Maak et al., 2016; Pearce & Stahl, 2015) have proposed that MNCs must respond to pressures for global integration and local responsiveness with respect to CSR, just as their business strategies respond to the pressures for integration and responsiveness in product markets (Bartlett & Ghoshal, 1989; Prahalad & Doz, 1987). Companies competing in the global marketplace thus face a fundamental dilemma, namely, how to balance the need for global consistency in CSR approaches with the need to be sensitive to local conditions. This is not only relevant for Western MNCs with comparably advanced approaches to CSR but as well for MNCs that originate from emerging economies. These companies often use CSR to overcome their liability of foreignness in Western societies and to gain a "license to operate" (Doh et al., 2016), requiring careful attention to local CSR expectations. At the same time, MNCs from emerging economies tend to be influenced by particular home-country characteristics, such as institutional voids and governments aiming to safeguard national interests, affecting how these companies globally integrate their CSR activities. For example, Miska et al. (2016) identified that state influence on Chinese MNCs affects global CSR integration. In contrast, presence in Western economies was found to influence local CSR responsiveness.

Building on the framework of transnational CSR proposed by Arthaud-Day (2005), we look at three prototypical approaches to CSR and discuss their implications for the challenges facing executives in the global arena. Figure 12.1 illustrates the three approaches and highlights the tensions and possible trade-offs between globally integrated and locally adapted CSR strategies.

The Global CSR Approach

If headquarters' perspective and demands for global consistency and integration prevail over local concerns, a global CSR approach is implied. The perceived advantages derived from the global integration of CSR activities must clearly outweigh the perceived benefits of meeting the needs of salient stakeholders in countries where the firm operates. The MNCs that follow the global approach to CSR tend to establish universal guidelines or codes of conduct and apply them to every cultural context in which they do business (Arthaud-Day, 2005). The viability of this approach rests on the assumption of a universal standard of responsible behavior that transcends the norms and values of particular societies (Donaldson & Dunfee, 1999; Frederick, 1991). Examples of such universal norms and values are those that appear in the UN Global Compact (e.g., support and respect the protection of international human rights) or the UN Millennium development goals (e.g., ensure environmental sustainability), but they are also implicit in corporate policies, mission statements, and ethics codes (e.g., "We act with the highest standards of integrity at all times and do not enter into any form of fraudulent activity wherever we do business"). Donaldson and Dunfee (1999, p. 52) call these universal principles "hypernorms," asserting that they are based on values "acceptable to all cultures and all organizations."
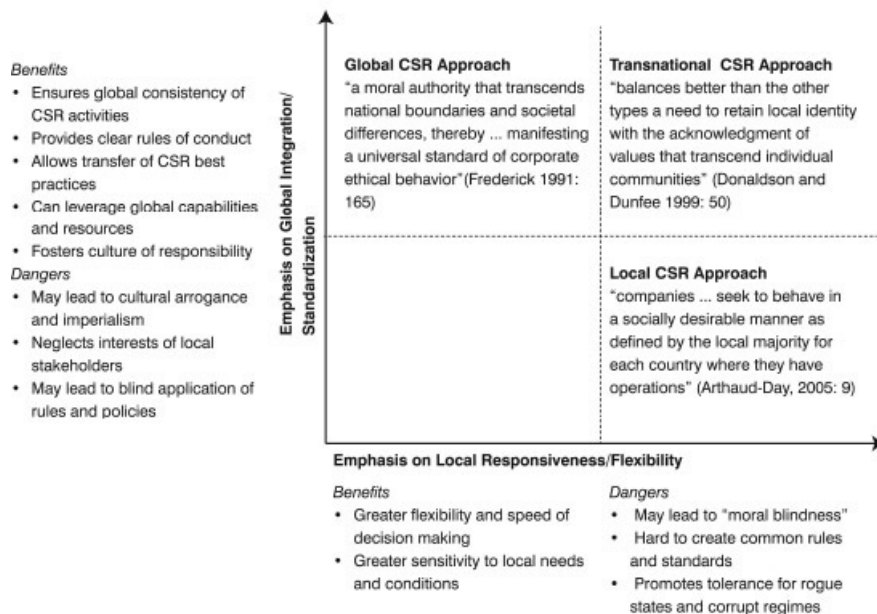
Figure 12.1 Approaches to Corporate Social Responsibility in Global Organizations

The potential benefits of a global approach to CSR are evident. It establishes clear rules of behavior, raises awareness of the importance of responsible conduct among employees worldwide, increases trust in the firm's leadership and control mechanisms, helps the company prevent and manage risk, fosters a culture of responsibility within the global organization, and ensures global consistency in managerial decision making and behavior. However, such global consistency comes at a price. A global CSR approach can lead to cultural arrogance and ethical imperialism, which directs executives to act everywhere in the same way that "things are done at headquarters." As Donaldson (1996, p. 52) has noted, "[w]hen cultures have different standards of ethical behavior—and different ways of handling unethical behavior—a company that takes an absolutist approach may find itself making a disastrous mistake." A global CSR approach also makes it more likely that managers use their companies' global policies to legitimize actions that are detrimental to the interests of local stakeholders or turn a blind eye to human rights abuses in the countries where they operate. The case of Shell Nigeria is instructive in this regard. Shell's management decided not to interfere with local government, insisting on its nonpolitical role and hiding behind its global code of conduct. Ignoring its political co-responsibility and allowing the execution of Ken Saro-Wiwa resulted, 13 years later, in a lawsuit in New York, "hailed as a milestone moment in the movement towards corporate accountability and human rights" (Center for Constitutional Rights, 2011) and settled by a payment of US$15.5 million. The Shell case illustrates that a global CSR approach does not absolve companies of responsibility for the impact of their operations on human rights or the welfare of the local communities in the countries where they operate.

The Local CSR Approach

The locally oriented approach to CSR is in some ways the mirror opposite of the global approach. It emphasizes the need for sensitivity and responsiveness to local conditions when conducting business in different contexts (Arthaud-Day, 2005; Solomon, 1996). Executives of companies that have implemented a local CSR approach thus seek to behave in a socially desirable manner, as defined by the local majority for each country where they conduct operations (Naor, 1982), and attempt to work as cooperatively as possible with the government and other stakeholders of the host country.

The main benefits of this approach compared with the global CSR approach are its greater responsiveness to the interests and concerns of stakeholders in the host country. The greater flexibility and responsiveness with respect to CSR derived from a local approach is not without issues though. In practical terms, this approach makes it very difficult to create or apply any universally accepted code of conduct (Manakkalathil & Rudolf, 1995), or even to determine what is ethically right or acceptable. As Donaldson (1996, p. 49) acknowledges,

"[c]ultural relativism is morally blind." If there is no right or wrong per se and everything is relative, there is no common standard by which to judge the morality of an action and guide managerial decision making. Moreover, in combination with weak institutions, inadequate regulations, and ineffective law enforcement in the countries where MNCs operate, a local CSR approach may lead to disastrous decisions at the local level.

The Chinese baby milk scandal provides a case in point. The New Zealand dairy cooperative Fonterra, which owns a 43 percent stake in a Chinese company Sanlu that had sold contaminated milk powder, was accused of failing to go public quickly enough when it learned of the scandal—waiting until after the 2008 Olympic Games were nearly finished before formally notifying New Zealand authorities. By doing so, they risked the health and life of several thousands of babies. When Fonterra executives received the information, they held three meetings to try to persuade Shijiazhuang health officials in China to raise the alarm, all without success. The central government had issued directives to suppress "bad news" during the Beijing Olympics. The whistle was finally blown by the New Zealand government on September 9, 2008, six weeks after Fonterra discovered the contamination, and a recall was issued. Paul French, director of Access Asia, a Shanghai-based consumer consultancy, blamed "the worst failure to whistleblow … ever" on Western executives who believed that they had to avoid making their local partners in China "lose face" at all costs (Spencer & Foster, 2008).

The Fonterra case illustrates, somewhat paradoxically, that global executives' attempts to work within a system and act in a locally sensitive manner can lead to decisions that put both the company and its stakeholders in harm's way. This danger is particularly acute in cases in which executives interpret their responsibilities to local stakeholders narrowly, forging strong, cooperative relationships with local government but ignoring the legitimate concerns of other, less-powerful stakeholders in the host country.

The Transnational CSR Approach

A transnational approach adopts a hybrid strategy, resting on the assumption that global and local approaches to CSR are not mutually exclusive (Arthaud-Day, 2005). In many cases, economic needs, political pressures, and stakeholder expectations demand that companies respond to both global issues and local concerns simultaneously, thereby acknowledging that diverse stakeholders and conflicting value systems require complex CSR responses (Husted & Allen, 2008; Logsdon & Wood, 2005). In essence, a transnational CSR approach demands that companies develop a global template for their CSR activities to ensure consistency across the organization but allow executives of local subsidiaries to adapt that template according to their specific needs and circumstances. Global policies and codes of conduct may be enacted in different ways, depending on the local conditions and cultural norms. At IBM, for example, its strong emphasis on diversity does not require gay and lesbian policies in some Asian countries (Stahl et al., 2012). According to IBM executives, issues related to sexual orientation are not well accepted or openly discussed in many Asian countries, which makes it difficult to implement such policies in an Asian context. However, other policies and programs related to diversity are considered "non-negotiable" and implemented worldwide with few, if any, local adaptations. Such transnational flexibility in diversity practices enables IBM to build and leverage local talent in a way that remains consistent with local norms but still sufficiently globally standardized to ensure that all parts of the organization attract, develop, and retain diverse talent.

Thus, agreement on the fundamentals (e.g., for IBM, a consensus about the importance of fair treatment of all employees and the need to capitalize on the talents of diverse workforces) does not preclude sensitivity to local norms and customs. Although the transnational approach is not without problems—in particular, it is often difficult to strike an appropriate balance between global consistency and local adaptation—this approach appears best able to guide managerial decision making and behavior, as well as to help executives address their responsible leadership challenges in the global arena.

A local approach to CSR may promote a naïve form of relativism (e.g., "when in Rome, do as the Romans do") with disastrous consequences, as illustrated by the case of the Fonterra baby milk scandal. The global CSR approach may lead to ethical imperialism and a neglect of local stakeholder interests. The transnational approach instead seems to balance the need for global consistency and local responsiveness with respect to CSR principles, standards, and practices.

Table 12.1 summarizes the key competencies required for responsible global leadership. It clearly is not exhaustive in terms of listing all personal characteristics (e.g., personality traits, abilities, motives) that might support a firm's CSR strategy or promote responsible leadership within a global organization (for a detailed overview of individual-level influences, see Stahl, 2011). Rather, we attempt to include characteristics that differentiate the best among the three approaches and thereby to illustrate that different CSR strategies require different types of managers, with different competencies, perspectives, and experiences. A transnational approach to CSR is most demanding in terms of required managerial and leadership skills, in that it requires managers to reconcile the different, and often conflicting, expectations of their global and local stakeholders.

As indicated by Table 12.1, executives implementing a transnational CSR strategy must possess all the competencies needed to achieve success at global and local levels. For example, managers should approach local stakeholders in open and nonjudgmental ways, understanding their needs and perspectives, and respond effectively to legitimate demands and expectations (i.e., local approach to CSR). These capabilities require, among other things, some culture-specific knowledge, intercultural sensitivity, and perspective-taking skills—qualities sorely missing in Shell's handling of the Saro-Wiwa case. Yet global executives also must keep a big picture in mind, consider the needs of global stakeholders, and be able to adopt a "helicopter" view to avoid being trapped into narrow, local thinking (i.e., global approach to CSR), as occurred when Fonterra's executives responded to the baby milk scandal. When it comes to making critical decisions that affect the overall organization and the firm's global stakeholders, executives must appreciate universal ethical standards, which can serve as the moral compass to guide decision making and behavior.

Table 12.1 Competencies Required to Support Different CSR Approaches

Global CSR Approach	Local CSR Approach	Transnational CSR Approach
• Strong commitment to head office • Understanding of global stakeholders' needs • Big picture thinking • "Helicopter" view • Understanding of universal ethical standards • Integrity and behavioral consistency	• Strong commitment to local stakeholders • Nonjudgmental and open to different views • Local knowledge and experience • Intercultural sensitivity and perspective-taking skills • Adaptability and behavioral flexibility	Global + Local Approaches, plus... • Dual citizenship • Global mindset • Ability to balance paradoxes and contradictions • Tolerance of uncertainty • Multicultural identity • Long-term orientation • Moral imagination

However, as we saw in the Levi-Strauss child labor case, a transnational CSR orientation requires more from managers than just an understanding of universal ethical standards and local norms and customs. To reconcile the tensions between centralization and decentralization, global integration and local flexibility, commitment to the firm's global stakeholders, and commitment to the needs of local stakeholders, managers need to be able to develop what Black and Gregersen (1992) have called "dual citizenship": an ability to identify with and understand both local and global realities, viewpoints, and requirements. This form of citizenship should go hand in hand with the ability to tolerate uncertainty and cope with cultural paradoxes and ethical dilemmas (Donaldson, 1996; Pless et al., 2011; Pearce & Stahl, 2015). It requires a global mindset and thus cosmopolitan thinking, as well as the capacity to understand, mediate, and integrate multiple cultural and strategic realities (Levy, Beechler, Taylor, and Boyacigiller, 2007). Finally, this approach requires moral imagination by the manager (Werhane, 2008), a quality that can help a manager resolve ethical dilemmas and align the conflicting interests of diverse stakeholders by developing novel and synergistic solutions that transcend established global policies or local practices.

Approaches to Promoting Responsible Leadership in Global Organizations

Companies can take several steps to promote responsible global leadership in their organizations, as well as to effectively prevent, manage, and control the risks of irresponsible managerial behavior.

Assessment and Selection

When recruiting, selecting, and promoting managers, organizations must recognize the individual-level variables, such as personality traits, motives, and values that best predict managers' propensity to engage in responsible or irresponsible behavior. For example, firms might use personality tests and integrity tests (Munchus, 1989), along with situational interviews, to help determine which employees are more likely to act responsibly or irresponsibly in a global environment. In situational interviews, the interviewer describes a situation (e.g., an ethical dilemma facing an expatriate manager) and asks applicants how they would handle it. Stahl (2001) had developed the Intercultural Assessment Center (IAC) survey, which assesses candidates on a range of competencies that are critical for responsible global leadership, including nonjudgmental attitudes, behavioral flexibility, and tolerance of ambiguity, through individual and group exercises (e.g., negotiation simulations, role plays, situational questions).

Training and Development

An area of particular importance for promoting responsible managerial behavior is leadership development and training. Over the last few years, management scholars and educators (Giacalone & Thompson, 2006; Ghoshal, 2005; Mintzberg, 2004; Mintzberg & Gosling, 2002; Pfeffer, 2005) have been questioning the assumptions underlying traditional management education, which seemingly contributed to a moral vacuum while also failing to prepare managers and students for the leadership challenges that they would face in modern corporations. Although many personality traits, attitudes, and values associated with responsible global leadership (e.g., integrity, nonjudgmental attitudes) are relatively fixed and hard to change, training and development activities can help ensure that managers of all types act more responsibly. After an employee has joined an organization, induction programs, individual coaching by superiors, and other socialization practices can ensure that the newcomer learns the values, expected behaviors, and social knowledge needed to become an effective, responsible member of the organization (Cohen, 2010). For example, training programs might focus on awareness of various facets of sexual harassment, to increase understanding of the risks of sexual harassment for both the employee and the organization (Pierce, Broberg, McClure, & Aguinis, 2004).

A promising new trend in management education is the use of service learning programs and consciousness-raising experiences to prepare managers for the social, ecological, and ethical issues they are likely to encounter (Mirvis, 2008; Pless & Maak, 2009). For example, PricewaterhouseCooper's Ulysses program aims to develop leaders who are capable of assuming senior leadership roles in the global arena and who "understand the changing role of business in influencing the economic, political, social and environmental well-being of communities and markets across the world, and our responsibility to work in collaboration with a broader group of stake-holders to achieve sustainable success through responsible world-wide business practices" (PwC, 2008). The program sends senior executives and partners on assignments in developing countries to work with a host organization (usually a nonprofit organization) on predefined service projects in areas such as health, poverty alleviation, sustainability, and rural development. To ensure learning from these experiences, the program uses an integrated service learning approach. Thus the field assignments are integrated into a learning design, with a one-week preparation phase prior to the assignment and a one-week debriefing phase after the trip. Furthermore, the program uses a variety of learning methods and assessment tools, including 360-degree feedback, coaching, team building, project-based learning, yoga and meditation, storytelling sessions, and reflective exercises to achieve learning at the cognitive, affective, and behavioral levels (Pless & Schneider, 2006).

The findings of an evaluation study (Pless, Maak, & Stahl, 2011) support the effectiveness of the Ulysses program in developing competencies that are critical for responsible global leadership, including intercultural sensitivity and a global mindset, self-awareness and self-management skills, and "ethical literacy" that encompasses moral imagination, ethical decision making, and service orientation. As we illustrate in Figure 12.2, learning through this program occurred at the cognitive, affective, and behavioral levels. Furthermore, PwC identified several learning mechanisms that seemed particularly significant in the context of international service learning programs, such as the experience of dealing with cultural paradoxes and ethical dilemmas. Collectively, these findings suggest that international service learning programs that involve cultural immersion at a relatively deep level, through daily interaction and collaboration with local stakeholders, can help managers develop responsible global leadership capabilities and be effective means of developing a transnational orientation. A growing number of companies, including IBM, Novo Nordisk, and Unilever, have implemented similar programs to support their global CSR and sustainability strategies and promote responsible leadership in their organizations (Colvin, 2009; Googins, Mirvis, & Rochlin, 2007).

Performance Management and Control Systems

In terms of control systems, top management teams can actively promote responsible behavior and discourage irresponsible behavior by communicating integrity as a core value, creating and enforcing company policies and codes of conduct, and implementing performance management and reward systems that hold managers accountable for their irresponsible behavior (Cohen, 2010; Crane & Matten, 2007).

An interesting trend in performance management is that companies increasingly recognize that new business models and changes in the marketplace necessitate the incorporation of softer, nontangible, behavioral-based performance measures, within an objective setting and performance appraisal process. Companies as diverse as Oracle, Shell, KPMG, and GlaxoSmithKline actively promote cultures that value not only short-term financial performance but also the intangible aspects of long-term value creation, with an emphasis on both key performance targets and how to achieve those targets (Stahl et al., 2012). Desired competencies include, for example, the ability to see things that others don't, inspiring trust and loyalty in the team, leading by example, and acting in socially responsible ways.
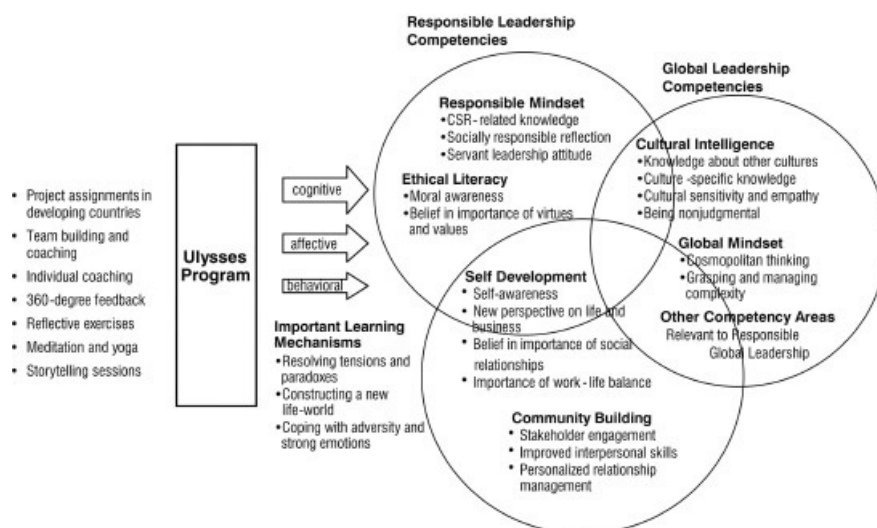
Figure 12.2 Developing Responsible Global Leaders: PwC's Project Ulysses

Consistent with this trend, some companies have introduced a "values-based" performance management system, which assesses and compensates employees according to not only how well they perform but also their shared values. For example, the pharmaceutical firm Novartis's performance management system combines the extent of achievement of individual performance objectives (the what) and the values and behaviors required

to deliver those results (the how). Thus, Novartis managers are assessed on and rewarded for their shared values, such as candor, trust, and integrity (Chua, Engeli, & Stahl, 2005). Many other excellent companies similarly have come to realize that they must balance priorities—the financial success of the company with principles of fair play, sustainability, or social responsibility—and thus have adopted similar systems.

Conclusion

Executives of global organizations are often ill prepared for the wider social, political, ecological, and ethical issues they face. In this chapter, we have discussed what it means to be a "responsible" global leader by considering the challenges facing executives in the global arena and the choices they have about how to meet those challenges. We have evaluated existing approaches to promoting responsible leadership in global organizations, looked at the competencies critical for responsible global leadership, and offered recommendations for how organizations can prevent, manage, and control the risks of irresponsible leader behavior. If responsibility is "at the heart of what effective leadership is all about" (Waldman & Galvin, 2008, p. 327), then companies would be well advised to take advantage of these tools and approaches, as well as to better prepare their current and future leaders for the leadership challenges arising in an increasingly complex, global, and interconnected world.

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Part V

The Future of Global Leadership

Leveraging a Typology of Global Leadership Roles to Guide Global Leadership Research

MARK E. MENDENHALL AND B. SEBASTIAN REICHE

Throughout this book, in each chapter the authors have suggested future areas where global leadership scholars might fruitfully conduct research that would spur the field forward. To conclude this book, we come full circle and return to one of the research areas raised by various authors as being particularly important for the field; namely, what is the scope of global leadership, and how does that impact the definition of its construct? After reviewing the literature in a previous publication, we concluded that the field of global leadership suffers from three problems or challenges that are interrelated in nature (Reiche, Bird, Mendenhall, & Osland, 2017):

1. Lack of clarity concerning the global leadership construct makes it difficult to conceptually differentiate among various types of global leaders and distinguish them from purely domestic leaders in research samples.
2. Imprecise and idiosyncratic definitions that underlie existing conceptualizations and operationalizations of global leadership create a "deficiency in explicating the underlying construct dimensions and risks equating global leadership roles that are qualitatively very different—and hence comparing apples with oranges" (p. 553).
3. The subsequent results of the above two state of affairs combine to form a lack of a shared conceptualization of the global leadership construct among scholars in the field, which in turn hinders the ability to draw "meaningful conclusions across qualitatively different global leadership roles ... which is not only a sign of an immature research domain, but also a serious barrier to future scientific progress" (p. 553).

These three challenges can perhaps be best illustrated with a case example of what can happen to a field that does not confront these issues head on in the early stages of the field's development. Many scholars operating in the field of global leadership began their careers studying expatriate performance. For decades they and other scholars have been studying expatriate adjustment, performance, and commitment, yet they did not actively attempt to rigorously define the independent variable of their study—*expatriates*. If described at all in their research studies, expatriates were generally defined by their demographic characteristics (e.g., citizenship, age, gender, previous overseas work experience, etc.).

Over time, as the field evolved, scholars began to realize they might be studying different types of expatriates, and the realization slowly emerged that, "Wait a minute, what do we mean when we say, *expatriate*? Self-initiated expatriates? Short-term expatriates? Long-term expatriates? Flexpatriates? Inpatriates? Or academic vs. diplomatic vs. missionary vs. business vs. study abroad vs. military expatriates?" It turned out that the conceptual ways in which the construct *expatriate* could be sliced were many and varied, and it logically followed that general models of expatriation may not address all the nuances of expatriate adjustment, identity, and embeddedness associated with the varying species of expatriates (Kraimer et al., 2012; Reiche et al., 2011; Tharenou & Caulfield, 2010). Now, over just the past five years, one sees in the expatriate research literature a variety of more sophisticated ways in which the construct of "expatriate" is defined and

operationalized—a state of affairs that has breathed fresh new life into the field.

Unfortunately, it took scholars in this field a good thirty years before they could collectively agree to make this course correction. Of course, the need for such a course correction could have been avoided if international human resource management scholars had focused initially on carefully trying to delineate the core construct of their field ("expatriates") instead of assuming that everyone in the field implicitly shared an understanding of the dimensions inherent in the construct. Now, scholars are having to double back after years of studying expatriates to work out exactly how to best define the construct (Collings, McDonnell, & McCarter, 2015; Konopaske, Mendenhall & Thomason, 2009). Recent research has, for example, added specific dimensions to classify global work experiences, including physical mobility, cognitive flexibility, and nonwork disruption (Shaffer, Kraimer, Chen, & Bolino, 2012) and worked to clarify to whom the term "expatriate," and specifically "business expatriate," apply and the boundary conditions under which expatriate employment is enacted (McNulty & Brewster, 2017).

It is important for the relatively new field of global leadership to learn from the field of expatriation and not repeat its mistakes regarding construct development. To date, there has not been a lively debate in the field regarding what *global* leadership means. We offer ourselves and our colleagues as an "Exhibit 1" case example of this state of affairs. In our research team, we often discuss individual global leaders that we know about or are studying in order to gain insight into what makes them successful global leaders. One particular discussion stands out in our memory. Once, when we were discussing a businessperson we were studying, one of us said something like, "This person is very impressive, but she is not a global leader—she is really just an expatriate." Then, one of us responded with a statement something like, "Wait a minute, this person is really exhibiting high-level, nuanced global leadership competencies—I think that makes her a global leader." A good-natured debate then ensued, but the issue was left unresolved.

While these types of debates are intellectually stimulating, they reflect an unfortunate reality—scholars in the field, ourselves included, tended to do research based on their idiosyncratic, implicit definitions of global leadership. Even when the dimensions of these implicit definitions were stated in published research studies, they were often broad and imprecise. And though these definitions do conceptually overlap, there are important conceptual divergences as well. A sampling of attempts to define *global leadership* and/or *global leaders* is given in Table 13.1. For illustration purposes, we have included the definition of the construct proposed in Chapter 1 in this book along with other samples of definitions from well-known contributions to the literature. Please note that the list in Table 13.1 is by no means a complete review of all published definitions of the construct that exist in the field, but is given for illustrative purposes only.

As can be seen in Table 13.1, implicit assumptions regarding what is *global* and what is *leadership*, and what is *global leadership* currently do not yet harmonize sufficiently within the scholarly community and are not explicit enough to act as a heuristic catalyst for the field's profitable evolution. Thus, the need for a framework like a typology to bring some order to the "construct confusion" inherent in the field.

Table 13.1 Representative Definitions of Global Leadership from the Literature[1] (Adapted from Mendenhall et al., 2012: 495)

Author	Definition
Adler, 1997: 174	Global leadership involves the ability to inspire and influence the thinking, attitudes, and behavior of people from around the world… [it] can be described as "a process by which members of the world community are empowered to work together synergistically toward a common vision and common goals resulting in an improvement in the quality of life on and for the planet." Global leaders are those people who most strongly influence the process of global leadership.
Ayman, Kreicker, & Masztal, 1994: 70	A global leader in any industry, while technically competent and able to perform work tasks, needs to have a personal commitment and interest to enjoy and adapt to diverse cultures.
Beechler and Javidan, 2007: 140	Global leadership is the process of influencing individuals, groups, and organizations (inside and outside the boundaries of the global organization) representing diverse cultural/political/institutional systems to contribute toward the achievement of the global organization's goals.

Brake, 1997: 38	Global leaders—at whatever level or location—will 1) embrace the challenges of global competition, (2) generate personal and organizational energies to confront those challenges, and (3) transform the organizational energy into world-class performance.
Caligiuri, 2006: 219	Global leaders, defined as executives who are in jobs with some international scope, must effectively manage through the complex, changing, and often ambiguous global environment.
Caligiuri & Tarique, 2009: 336.	Global leaders [are] high level professionals such as executives, vice presidents, directors, and managers who are in jobs with some global leadership activities such as global integration responsibilities. Global leaders play an important role in developing and sustaining a competitive advantage.
Gessner, Arnold, & Mobley, 1999: xv	Global leadership is defined as involving people in business settings whose job or role is to influence the thoughts and actions of others to achieve some finite set of business goals… usually displayed in large, multicultural contexts.
Gregersen, Morrison, & Black, 1998	Leaders who can guide organizations that span diverse countries, cultures, and customers.
Harris, Moran, & Moran, 2004: 25	Global leaders are capable of operating effectively in a global environment while being respectful of cultural diversity.
Holt & Seki, 2012: 198	Anyone who operates in a context of multicultural, paradoxical complexity to achieve results in our world.
McCall & Hollenbeck, 2002: 32	Simply put, global executives are those who do global work. With so many kinds of global work, again depending on the mix of business and cultural crossings involved, there is clearly no one type of global executive. Executives, as well as positions, are more or less global depending upon the roles they play, their responsibilities, what they must get done, and the extent to which they cross borders.
Mendenhall, 2008: 17 and 2013: 20	Global leaders are individuals who effect significant positive change in organizations by building communities through the development of trust and the arrangement of organizational structures and processes in a context involving multiple cross-boundary stakeholders, multiple sources of external cross-boundary authority, and multiple cultures under conditions of temporal, geographical and cultural complexity.
Mendenhall, Reiche, Bird, & Osland, 2012: 500	An individual who inspires a group of people to willingly pursue a positive vision in an effectively organized fashion while fostering individual and collective growth in a context characterized by significant levels of complexity, connectivity and presence.
Ng, Van Dyne, & Ang, 2009: 511	Leaders who are capable of understanding, functioning, and managing in the global environment.
Petrick, Scherer, Brodzinski, Quinn, & Ainina, 1999: 58	Global strategic leadership [...] consists of the individual and collective competence in style and substance to envision, formulate, and implement strategies that enhance global reputation and produce competitive advantage.
Reiche, Bird, Mendenhall, & Osland, 2017 Note: Also, the definition from Chapter 1 of this edition.	Global leadership involves the processes and actions through which an individual influences a range of internal and external constituents from multiple national cultures and jurisdictions in a context characterized by significant levels of task and relationship complexity.
Spreitzer, McCall, Jr., & Mahoney, 1997: 7	An executive who is in a job with some international scope, whether in an expatriate assignment or in a job dealing with international issues more generally.
Suutari, 2002: 229	Global leaders are managers with global integration responsibilities in global organizations.

[1] In some cases these definitions have been edited, for purposes of readability and clarity, and thus have left out citations within the actual definitions where the authors credit the ideas of others for parts of their definitions. Please see the definitions in the published articles for these citations.

A Typology of Global Leadership Roles

Despite the confusion in the general leadership field regarding how to adequately define it, most scholars would concur that leadership involves influence processes directed at people to motivate them to complete tasks (Yukl, 2013). After reviewing the literature (Reiche et al., 2017), we concluded that "the leadership literature has predominantly distinguished between task and relationship elements as contexts for leadership" (p. 555). It is our view that the "task-relationship dichotomy of leadership context is also useful for conceptualizing global leadership" (p. 556). Working from the assumption that leadership depends on the context in which it occurs, context constitutes a critical contingency factor that determines specific global leadership roles and their requirements.

These global leadership roles differ based upon the unique and varying levels of complexity in the task and relationship dimensions of the contexts global leaders find themselves in (Reiche et al., 2017). To help provide some needed conceptual clarity to the content domain of the global leadership construct, we created a typology of global leadership roles. Readers of the previous edition of this book might recall that in the final chapter we made an attempt to do this, albeit an exploratory one. That initial framework from the second edition of this book provided an impetus to us to continue to work on this problem, and the result of our efforts was the development of a typology of global leadership roles that was recently published in the *Journal of International Business Studies* (Reiche et al., 2017). Our typology of global leadership roles is illustrated in Figure 13.1.
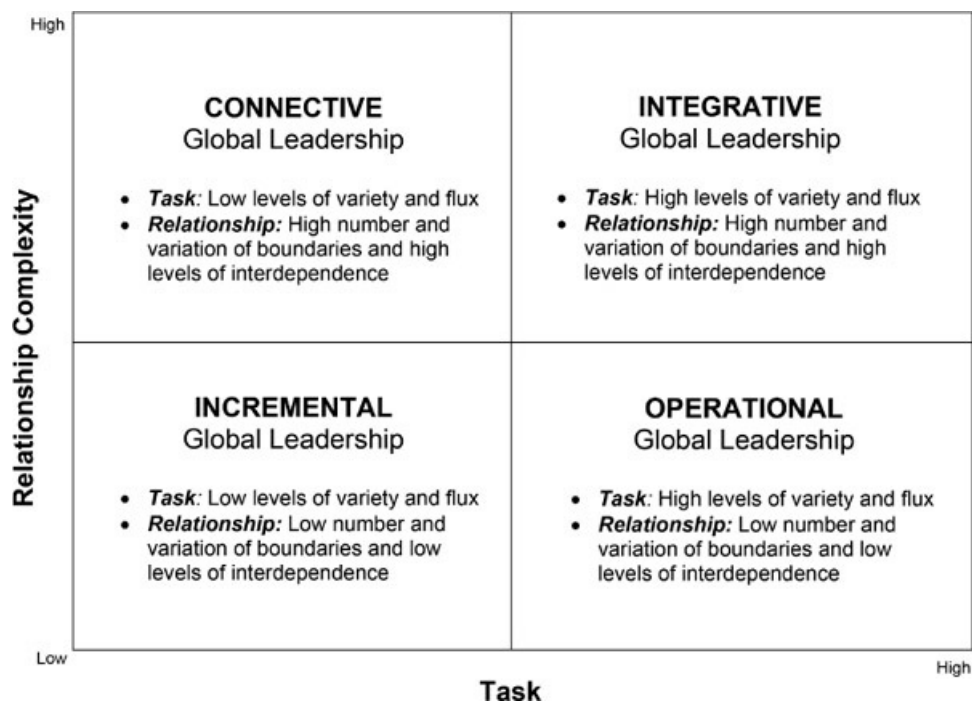
Figure 13.1 The Global Leadership Role Typology

Task Complexity

In our typology, the task complexity dimension is based upon two foundational constructs, "variety" and "flux." Drawing from the theoretical work of Lane, Maznevski, and Mendenhall (2004), we proposed that the construct of variety "refers to the diversity of models and manifestations of organizing, competing, and governing along with their attendant actors" (Reiche et al., 2017: 559). Variety reflects the numerical scope of elements a global leader must confront and deal with in the task environment (e.g., business units, competitors, regulatory regimes, etc.) and the degree to which there is variation within each of the elements in the task environment. Flux is the second construct associated with the task complexity dimension, and we define it as "the degree to which change in elements of the task environment is destabilizing" and consider it to consist of three facets: "the frequency with which it occurs, its intensity, and its degree of unpredictability" (p. 559). We argue that each of the elements in the task environment are not inherently static in nature; rather, they are in constant motion, always changing, and manifesting various rates of change and adaptation to environmental and internal dynamics and circumstances (Reiche et al., 2017).

Relationship Complexity

The relationship complexity dimension of the typology is based upon two foundational constructs, "boundaries" and "interdependence." Boundary-spanning has long been viewed in the global leadership literature as being a differentiating factor between domestic and global leadership (Beechler & Javidan, 2007; Beechler, Søndergaard, Miller, & Bird, 2004; Osland et al., 2007). We propose that "boundaries reflect a particular configuration of social structure" and that "the relationship complexity of a global leadership role may derive from interactions that cross a number of different boundaries, including functional, organizational and geographic" (p. 559). Boundaries differ not only in terms of numerical scope but the degree to which "within-boundary" variation exists as well.

The second construct of relationship complexity is interdependence, which involves "the worldwide movement and interconnectedness of constituents and their relevant resources" and it "not only refers to the number of interconnections among relevant constituents in a global leadership role, but also to their degree of interdependence" (p. 559). High levels of coordination and sharing of resources across and within constituent networks—both internally and externally—are necessitated if a global leadership role context is high in interdependence (Reiche et al., 2017). Productively communicating with, influencing, and managing individuals and social networks of customers, suppliers, government officials, leaders of NGOs, peer managers, media representatives, etc., on a global scale is a hallmark of effective global leadership and central to addressing relationship complexity-oriented role challenges (Reiche et al., 2017).

Our typology consists of four "ideal-types" of global leadership roles that are based upon task complexity (TC) and relationship complexity (RC) and their inherent foundational constructs: 1) the incremental global leadership role type (Low TC/Low RC); 2) the operational global leadership role type (High TC/Low RC); 3) the connective global leadership role type (Low TC/High RC); and 4) the integrative global leadership role type (High TC/High RC).

The Incremental Global Leadership Role Type (Low TC/Low RC)

At first glance, you might wonder what the difference is between the incremental global leadership role type and a domestic leadership situation. The difference is that roles within the incremental global leadership type require some work responsibilities beyond the leader's home culture; in other words, the leader has to work across other national cultures and jurisdictions. This role type is characterized by a work context that, although global in nature, is generally uncomplicated, transparent, relatively stable and predictable, socially-bounded, and specialized in nature and requires a relatively limited number of interactions with global constituents (Reiche et al., 2017). In this role, "task conditions are characterized by a relatively small number of elements (e.g., selling products internationally only through license agreements), and low variation within each element (e.g., international presence is limited to the same language region)" (Reiche et al., 2017: 561). Relationship conditions in this role would involve "dealing with very few constituents abroad … and relevant interactions would involve few boundaries and relatively little interdependence" (Reiche et al., 2017: 561).

The Operational Global Leadership Role Type (High TC/Low RC)

Leadership roles within the operational global leadership type involve the confrontation of "high cognitive demands that arise from highly complex task conditions" (Reiche et al., 2017: 561) where relationship complexity is relatively less demanding. Highly complex task conditions are manifested from a wide variety of sources and causes; for example, demands of separate but numerous regulatory bodies from a wide variety of countries or unpredictability in cross-border financial systems. Relationship complexity in this global leadership role type is low, which can occur due to a variety of possible scenarios. The following is a short case example of this role type—a product development leader in a global financial services firm:

> The range of financial regulatory bodies in different countries, the number and variety of customers and customer needs, and the pace of regulatory change in this domain would render the tasks in this role highly complex. At the same time, financial services can be handled in a more standardized manner and hence involve relatively few physical boundaries and less frequent face-to-face interactions. The global scope of standardized financial products and similarity in investment motives would also reduce the number and variation of identity-based boundaries. As a result, relationship complexity would likely be low.

> (Reiche et al., 2017: 562)

The Connective Global Leadership Role Type (Low TC/High RC)

Leadership roles within the connective global leadership type involve "task contexts that are specialized and clearly bounded" but where there are "high demands for social flexibility … because key constituents are geographically dispersed, and culturally, linguistically, functionally, and institutionally diverse" (Reiche et al., 2017: 562). The task context is such that work is standardized and relatively straightforward in nature or there are simply lower numbers of elements in the task context, such as fewer numbers of customers, suppliers, or regulatory bodies to deal with, and where consistency, stability, clarity, and standardization in work role requirements is extant. However, to be effective in these task conditions, global leaders in this type find that task completion is significantly dependent upon their interpersonal acumen. In this global leadership role type, common global leadership activities involve, to name a few: 1) leading geographically dispersed teams, 2) having to cross almost on a daily basis a wide variety of cultural, linguistic, functional, departmental, and institutional boundaries, 3) adapting and adjusting constantly to a wide variety of interpersonal norms that are embedded in common process practices such as giving feedback, motivation, and negotiation, 4) maintaining established social relationships and wider social networks across various boundaries to ensure smooth functioning of task completion, and 5) traveling physically—and often—to other countries in order to continually solidify interpersonal relationships that are necessary for task completion (Reiche et al., 2017).

The Integrative Global Leadership Role Type (High TC/High RC)

The final global leadership role type in our typology reflects probably what many people think of when they think of global leadership: individuals who find themselves confronted with high levels of task complexity and relationship complexity in the global context. The task and relationship complexity challenges compared to the other role types are not only stronger in intensity but also in nuance; for example, "the need to constantly recognize and handle trade-offs in both task-oriented aspects (e.g., dealing with different needs for and pace of change across locations) and across different groups of constituents. This entails mediating conflict and finding synergistic solutions that address potentially opposing interests and needs" (Reiche et al., 2017: 564). As noted in Figure 13.1, the behaviors needed to fulfill roles associated with the integrative global leadership role type involve higher-order competencies, such as managing paradoxes, creative problem-solving, cognitive complexity, leading change on a massive scale, and expertise in distributed, shared, and collaborative leadership.

The integrative global leadership role type has been studied, to some degree, by Osland and her associates in their work on expert cognition. They found that global leaders operating effectively in this type exhibit the following compared to other leaders:

1. They have the ability to differentiate between relevant and irrelevant environmental and social cues, and they perceive more patterns in—and interaction between—these cues. They also pay attention to cues that others fail to perceive and interpret—they perceive what is not visible to others.
2. They have more extensive knowledge bases, and can more effectively cross-index patterns on industry, country, and culture levels.
3. They effectively manage multiplicities—multiplicities of stakeholders, functions, cultures, countries, and government entities (Osland, Bird, & Oddou, 2012; Osland, Oddou, Bird, & Osland, 2013).

One of the respondents in their studies essentially described the inherent task and relationship complexity of the integrative global leadership role type as follows:

> One way to look at [global] situations is like a jigsaw puzzle—you have to put everything in place, and then you end up with a picture. You know the picture before starting to put the pieces together, so you just have to find the right pieces. The other model is a patch-work, a quilt-type model, where all you know is that you've got the size of the box, and you have no idea what's the pattern and how you're going to get there and what you're going to do. Depending on the material and how it fits together, you go find another piece of patch to use. You develop it as you go. Leaders look at situations and say, "I don't know how I'm going to get out of this thing," but you get started and find a way as you go.

Using the Typology for Research and Practice

Recall, if you will, the good-natured debate our research team had about whether a particular leader was a global leader or not. We could not gain consensus. Why? We did not share a mutually accepted framework, model, taxonomy, or typology of global leadership that could help us assess, upon the basis of explicit criteria, the degree to which the person we were discussing engaged in global leadership roles. If such a framework or model or taxonomy or typology existed in the field, scholars could delineate more precisely the independent variable of global leadership in their research. But at present "current global leadership research samples comprise a bewildering array of expatriates, global managers, people who do any type of global work, as well as nominated effective global leaders. Taken together, the global leadership field has not yet convincingly answered the question of what is and is not global leadership" (Reiche et al., 2017: 555).

The value-added of the above typology should thus be self-evident, for at present scholars are essentially conflating the four types of global leadership roles into a single, gestalt-like construct of "global leadership" that produces outcomes that are seemingly insightful, but lack the power to render insight into contingency-based issues (e.g., what are the most important global leadership competencies to develop in leaders who find themselves in operational global leadership roles?). Thus, we propose that the above typology can assist researchers in "being more specific in their sampling criteria, thereby avoiding further fragmentation of construct operationalization and enabling future meta-analyses, as well as hopefully encouraging more scholars to engage with the global leadership field" (Reiche et al., 2017: 564). Consider the following hypothetical case example as a way to illustrate how this process might take place, wherein a team of scholars are having the same debate as our research team had about whether a certain expatriate was a global leader or not.

Michelle Goffin was a twenty-three-year-old recent college graduate at the time she applied for and was accepted for the position of director of the Children's Convalescent Home (CCH) in Georgetown, Guyana (for the excellent teaching case about Michelle's actual experience, please see: Dietz, Goffin, & Marr, 2007). Michelle was Canadian and applied for the position through the auspices of her Canadian university and through the Canadian Red Cross. When she arrived in Guyana to begin her assignment, she immediately found herself in the middle of a political tug-of-war between the past manager of the CCH, who would not step down, and the board of the Guyana Red Cross Society (GRCS). Four months after her arrival, Goffin was able to finally step into the role for which she was hired and found an organizational mess. She immediately threw herself into the problem and found she had to maintain positive political relations with the GRCS, develop relationships of trust with the Guyanese staff and the children, assess and work with dysfunctional parents, negotiate with local contractors for renovations to be made to the buildings of the CCH, reorganize the organizational structure of the CCH, and overcome a massive mutiny on the part of the staff after her organizational change initiatives underwent a serious setback. All the while she found herself with no mentors, little expertise regarding Guyanese culture, and no meaningful financial resources to bring to bear on the challenges she faced.

Some scholars in our hypothetical research team would likely contend that she is not a global leader because she is in one country, dealing primarily with one culture, and that her job does not have international scope—it is essentially a domestic job, albeit a domestic job in a developing country. In their view, she is simply an expatriate—not a global leader. Others would contend that she is a global leader because the kinds of skills she needs in order to be successful in her role are many of the exact same skills necessary for a global leader to be successful, ergo she is a global leader. Others might agree with the latter evaluation, but would buffer it with the idea that she is more of a global leader "in training," while the remainder would likely fall widely across the spectrum in between these two poles. Using the typology illustrated in <u>Figure 13.1</u> can help the team of scholars to more carefully assess and categorize Michelle in terms of the degree of her global leadership.

Question 1: Does She Fit the "Global" Requirement of the Typology?

The hypothetical research team would initially need to ask, "Is Michelle involved in processes and actions where she is influencing a range of internal and external constituents from multiple national cultures and jurisdictions?" On the surface, the answer might seem to be no she is not because she is residing and working in a single culture. However, after further contemplation, the team may arrive at the conclusion that multiple cultures are in play, as well as multiple jurisdictions. For example, while the lion's share of her daily work activities are based in Guyana, she still has some accountability with the Canadian Red Cross and the subcontracting Canadian organization through which her placement was processed. Though living overseas, multiple national cultures and jurisdictions must be responded to on her part. The multiplicity is dual in nature —Guyana and Canada. Also, there is an intrapsychic multiplicity that is constant in Michelle's life. Every encounter, every interaction, every paradoxical challenge that Michelle experiences daily is forcing her into contrast and confrontation cognitive processes (see Chapter 8) that are part and parcel of global leadership competency development. In other words, one might say that "multiple jurisdictional schema" are simultaneously being developed and operating within Michelle's cognition. Domestic managers simply do not experience such multiplicity except in very unusual domestic business contexts. That said, she is not living in Guyana with direct reports throughout the Caribbean and South America that she must lead and for whose performance she is accountable. Thus, while the team may agree that she does qualify to be considered as a global leader, on some elements the degree of leading across national cultures and jurisdictions is less severe in nature.

Question 2: To What Degree Is She Dealing with Task Complexity?

At first glance, task complexity seems to be off the chart for her. She has to reorganize the CCH, and there is no ideal organizational framework to draw from—she has almost an infinite variety of organizational design options from which to select. Ambiguity around tasks for her is a daily reality due to lack of information clarity, unclear cause-and-effect relationships, multiple ways of interpreting the same data, and major differences in cultural and sub-cultural norms compared to those of Canada. Additionally, she was tasked with assessing whether children should be taken into the CCH and when children should be returned to their parents, none of which she had received formal training for prior to her arrival in Guyana. All of this adds up to challenging levels of variety. But this assessment must be taken into account with the perspective that she is working mainly within one foreign environment vs. multiple foreign environments. Though there is high variety within her current context, other global leaders have to manage across many task contexts, which increases the amplitude dramatically of the dimension of task complexity.

To what degree is the work environment she is in exhibiting flux? While some elements are constantly changing and unpredictable, much of the perceived flux she is facing is likely due to her being a neophyte in the Guyanese culture, and her lack of savvy about the Guyanese Red Cross political culture. As her "learning curve" moderates over time as she gains knowledge through experience, she will likely find the environment to be fairly stable and more predictable in nature. In fact, this is what occurred over the period of her two-year assignment—with more nuanced understanding gained from trial-and-error experiences, her environment became much less ambiguous and uncertain for her. Probably, our hypothetical team of scholars would assess her task complexity to be toward the lower end of the spectrum, perhaps somewhere between the low end of the continuum and its midpoint.

Question 3: To What Degree Is She Dealing with Relationship Complexity?

While she did not have to work in multiple countries, she was living and working outside of her home country in a developing nation whose social and work norms (not only on the national level, but also at the sub-culture level—familial, socioeconomic, bureaucratic, educational, etc.) were completely new to her. Interestingly, her competitors are in most cases those for whom she works and with whom she works—she must learn how to keep the people in power appeased so they will be supportive of her efforts, and she must learn how to fashion a managerial relationship with the staff in a way that they do not perceive her as "other." Additionally, she must manage relationships with the hospital, suppliers, parents of the children in the home, government officials who oversee children's services, and other volunteers. This multiplicity of stakeholders also creates a system of interdependencies in which she must exist as a manager—these are not separate working parts of but rather the dynamic reality in which she finds herself. Given the above analysis, our hypothetical team of scholars would likely assess her overall relationship complexity to be toward the middle of the continuum—despite the fact that she is only operating in a two-dimensional global setting—because of the need to learn nuances of the new interaction context, continually code-switch, build interaction frequency, and leverage social frictions for problem solving.

It would not be unlikely for the hypothetical team of researchers to place Goffin in the typology illustrated by the diagonally shaded oval in Figure 13.2. She is not working in more than one foreign culture, yet she does have responsibilities and some accountability to her Canadian university and the Canadian Red Cross. Thus she is in a situation where she is in the minimal realm of one of the definitional criteria of global leadership (working with internal and external constituents from multiple national cultures and jurisdictions). Though she feels challenged in a way that heretofore she has never been in her life, the task complexity of her context is not extremely high, while relationship complexity is fairly challenging despite working in only one national culture that she is a neophyte in.

After doing this analysis on Goffin, we would hope that our hypothetical team of researchers would do the same for all the global leaders that constitute their sample. After carefully assessing the type of global leadership roles the individuals in their sample must deal with in terms of task complexity and relationship complexity, and the degree to which those roles must be carried out in multiple national cultures and jurisdictions, they likely will find that their sample actually consists of different types of global leaders. They may find that a quarter of their sample can be characterized, like Michelle Goffin, as evincing incremental global leadership. Perhaps another quarter of the sample can be categorized as being involved in connective global leadership based on the assessment of the complexity of their roles. And perhaps the latter part of their sample may fall into two one-fourth segments, those of operational global leadership and integrative global leadership. By differentiating their sample into different types of global leadership roles this hypothetical research team can design methodologies that will provide more nuanced and sophisticated empirical findings and thus make more substantial contributions to the field.
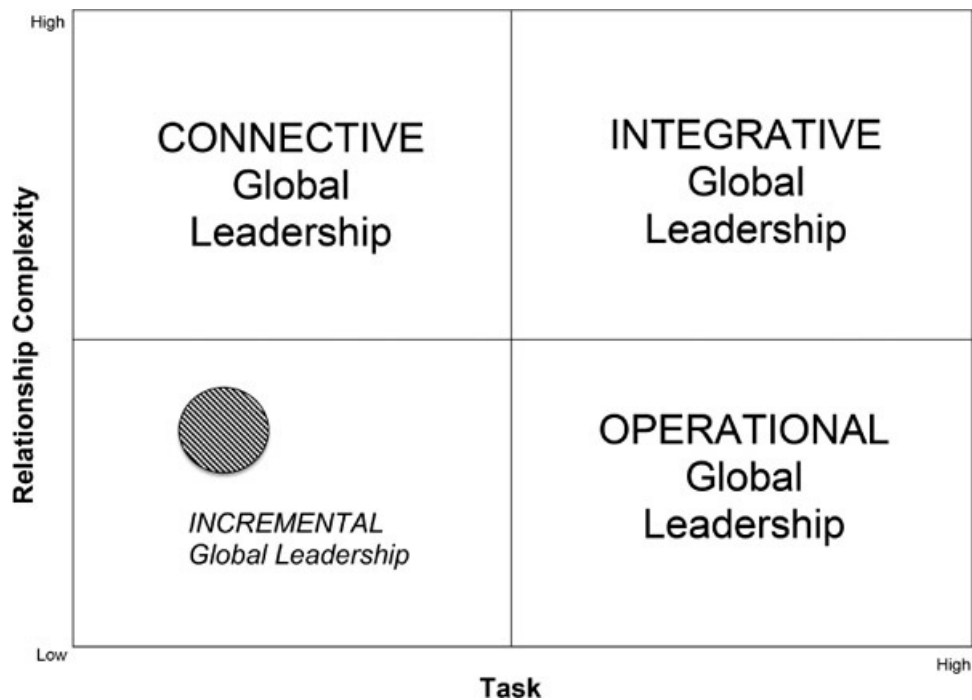
Admittedly, the subjective analysis we just went through in this case example would not be the ideal approach to use for actual assessment of sample participants. A more rigorous approach would be to perhaps calculate the level of task complexity by creating measures for variety and flux that can be empirically assessed as well as creating similar measures to assess the degrees of variation in interdependencies and boundaries. Some preliminary ideas for creating such measures could include: 1) using dimensional-level self-report measures, similar to those used recently to measure global role complexity (Story, Barbuto, Luthans, & Bovaird, 2014), 2) operationalizing the level of environmental flux via the number of change initiatives at the global level over the past five years (Reiche et al., 2017: 567), 3) the total number of physical and identity-based boundaries that a leader must cross regularly in a specific assignment (Reiche et al., 2017), and 4) calculating the number of "relevant constituent exchanges that affect the global leadership role" as a way to measure the level of interdependence (Reiche et al., 2017). These are just a few ideas—many more could be and should be generated by scholars as they consider the unique contexts from which they draw their sample of global leaders for research purposes. It is our hope that at some point in the future a "standardized set of scales that global leadership scholars can include as part of their demographic questions to gauge potentially varying global leadership roles among their respondents" will occur in the field (Reiche et al., 2017: 567).

Additionally, we feel there are two primary implications of the typology for global organizations and their leaders in terms of practice. First, the typology can help human resource executives diagnose global leadership roles and to develop strategic training initiatives based on these diagnoses. "For example, global leadership roles expected to deal with low levels of task and relationship complexity arguably require less and different kinds of training than those at high levels of complexity" (Reiche et al., 2017: 568). Second, the typology can help human resource managers to select competency sets that conceptually fit best with the global leadership role type that they are selecting an employee to enter into. By selecting the competencies that seem to best fit, they can then design personalized global leadership competency development programs that are based upon these selected competencies. This avoids a "one-size-fits-all" training regimen, which many scholars have been decrying for years as being the least effective way to develop global leaders.

Conclusion

As this edition of the book comes to an end, we speak for all of the authors in thanking you for your work and interest in the new and burgeoning field of global leadership. While many challenges exist for both scholars and practitioners, we find them exhilarating and fascinating rather than burdensome and overwhelming. At the time we are writing this chapter, the United States is in the throes of a national election that is dividing the nation; the UK is floundering to come to terms with the outcome of the vote on Brexit; millions of refugees fleeing wars in the Middle East and political turmoil elsewhere are taxing European nations' economic and moral institutions in responding to this humanitarian crisis; and the list could go on and on. We believe, deeply, that the study of global leadership has the potential to unearth knowledge that can potentially be applied to citizens of all nations to aid in developing people who truly can think globally and act both globally and locally with empathy and wisdom. That may very well be the most important contribution that social scientists can offer to humanity, and we feel honored to be part of that venture. We hope you do too.

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<u>Index</u>

Note: Page numbers in bold indicate tables, and page numbers in italics indicate figures.

explicit knowledge: communication 285; creation 304