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ESSENTIAL SKILLS FOR LEADERSHIP EFFECTIVENESS IN DIVERSE WORKPLACE DEVELOPMENT

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Introduction

The global market has created needs for international corporations. Global leadership effectiveness has been a major issue in literature of world business, social issues, human resource management and development, just to name a few (Caligiuri & Tarique, 2012; Rockstuhl, Seiler, Ang, Dyne & Annen, 2011; Harteis, 2012). How to perform global leadership efficiently in the increasingly tough global market is vital to international business and workforce management.

Leadership is a key component of all organizations but its function and capacity are getting more complicated with increased involvement in globalization and technology development (Punnett, 2004). Technological advances extend the possibility of global economy which has changed the way people do business and communicate. Cross-cultural managers must look at the world change as a challenge and an opportunity for organizational growth and individual development. In addition, to cope with the changes, international business educators and facilitators need to respond swiftly to the impacts of demographics, technology, and globalization in order to offer specific job skill development on global leadership, work ethic, and continuous learning (Aggarwa, 2011). As the demand of knowledge-based enterprises rises, it is both employees’ and managers’ responsibilities to enhance the success of workplace learning and workforce development (Harteis, 2012). Global leaders need to build their interpersonal skills to deal with racial conflicts that have occurred and to develop individuals and groups in the workplace (Byrd, 2007).

A successful international leader must know what leadership is expected and execute it accordingly (Ulrich & Smallwood, 2012). Individuals with different cultural backgrounds may vary in their conception and expectations of leadership. Due to the largely Western and individualistic perspective on leadership, the extent to
which Western leadership theories apply globally is being questioned. Japanese
leadership practice, for example, is different from the West by its cultural traditions
and business practices (Takahashi, Ishikawa & Kanai, 2012). To create a leadership
that lasts over time, global leaders must show expected competence in cross-cultural
awareness and practice. It is important they understand the significance of leadership
and leadership expectations, and to develop and sustain effective leadership strategies
for long-term change (Ulrich & Smallwood, 2012). Effective global leadership is a
key to unlock the mystery of working with diverse employees and bring the
organizational development and change to the next level.

**Purpose of the Study**

The importance of effective leadership in cross-cultural management has been
emphasized in the literature (Nguyen & Umemoto, 2009). Since globalization and
technology have been accelerating business changes and creating challenges, today’s
global leaders need to acquire a set of competencies that will enable them to
implement their vision and lead effectively. How to develop effective leaders with the
skills needed to adequately deal with organizational challenges has been a challenge
for all organizations (Amagoh, 2009). Global leaders must be equipped with the
leadership skills required in the multicultural workplace. In other words, important
leadership components and significant global leadership skills need to be identified to
enhance international leaders’ competitiveness and performance efficiency. Therefore,
the purposes of this study sought to: (a) examine the new look of leadership in diverse
workplace development and cross-cultural management, (b) identify challenges for
global leaders, and (c) identify essential leadership skills for success as a global leader
in this rapidly changing world.
This study synthesized the literature findings in relation to both cross-cultural management and international leadership as an initial effort toward identifying essential leadership skills for global leaders to meet the challenges they face now and in the future. In this study, diversity is defined as the differences among a group of people in cultural background, ethnicity, religion, language, gender, age, and occupation.

**Leadership in Diverse Workplaces**

In the competitive landscape of the 21st Century, a sustainable advantage of globalization depends on the skills and abilities of a leader who can manage diversity and implement increasingly complex business strategies. Effective workforce diversity management is a key to global business success (Okoro, 2012). In pursuit of leadership effectiveness in today’s globalized world, cross-cultural leaders need to be able to manage culturally diverse settings efficiently, known as a capability of cultural intelligence or cultural quotient - CQ (Rockstuhl et al., 2011). Since CQ is significantly related to individual international experiences (Lovvorn & Chen, 2011), global leaders should be aware and appreciate the diversity they face in leadership practices. The following phenomena are identified significantly challenging international leadership practices in diverse workplaces.

**Blended Organizational Culture**

More managerial and professional positions are occupied by females, and more diverse cultural groups, lifestyles, ages, and abilities are seen in the workplace (Carr-Ruffino, 2005). A wide range of people brings different challenges and advantages in terms of ideas, creativities, styles, and innovations into the workplace. In such
blended organizational culture, any racism, sexism, or ageism can easily cause organizational loss of innovative potential and failure in global market (Parvis, 2003). Organizational culture affects business success (Khana & Afzalb, 2011). To enhance organizational competitiveness and performance, core organizational values (e.g., performance excellence, innovation, social responsibility, worker involvement, and quality of work life) should be emphasized (Khana & Afzalb, 2011). Effective global leaders must increase their capabilities to manage the complexity of diverse people, understand and respect differences, make necessary adjustment in the leadership, and be ready for opportunities and challenges that come alone. As the leaders are the most influential key to organizational performance, it is crucial for human resource development professionals to support leaders to resolve racially diverse issues through leadership development (Byrd, 2007).

Group Dynamic

Group dynamic plays an influential role in global leadership practice. Different leadership styles and management approaches must be applied depending upon group dynamics and circumstances (Punnett, 2004). A critique or judgment can significantly affect individuals’ behavior and values when the environment is shaped by the same group pattern or thought. In many cases, leadership is often influenced by the perceptions of the peers, subordinates, and superiors (Heller, 1982). A number of group dynamic processes of norms, roles, relations, and behaviors are normally created to separate group members from others. Each of these group dynamics plays an important role in shaping the global leadership with a strong impact on organizational culture and climate. Group dynamic is the key for cultural innovation (Ragir & Brooks, 2012). However, team size can affect group dynamic, as well as
leadership. For instance, a formal or autocratic leadership is needed for direction when the group size is large (Lussier, 2005). Dynamic cross-cultural competencies are accordingly vital to global leaders and managers, which can be enhanced by personality characteristics and cross-cultural experiences development (Caligiuri & Tarique, 2012).

**Gender Differences**

Until recently, women were continually underrepresented in higher level positions (Harris & Leberman, 2012). Genders are two different species in terms of genetics, psychology, and work-related management (Morosini, 2005). Females tend to hear what and how it is being said and exhibit greater levels of interest in interpersonal relations; in contrast, males tend to hear only what has been said and display greater levels of aggression (Morosini, 2005). Men are traditionally expected to be an aggressive and tough leader while women are stereotyped as emotional and insecure followers with the need of protection. Women tend to have different qualities in their working styles, and such differences can contribute to preferable behavior, thought and leadership; however, gender bias has interfered in obtaining their leadership positions (Ely, Ibarra & Kolb, 2011; Vinnicombe & Singh, 2003). To solve this problem, developing a women-only leadership program has been proposed and used to assist women leaders toward senior leadership roles. For example, a national New Zealand Women in Leadership Program has operated for five years, and the program has been a success on individual and organizational levels to increase participants’ self-confidence, networking skill, and opportunity for job promotion (Harris & Leberman, 2012). As the number of working women continually increases,
understanding gender stereotype can assist multicultural leaders to build positive relationships and avoid biased management decisions (Carr-Ruffino, 2005).

Cultural Diversity

One significant variable that should be considered in leadership is cultural context (Gutierrez, Spencer & Zhu, 2012). Work ethics, behaviors, communication styles, and management-labor relationships are different from country to country. Leadership competence is conceptualized differently in different countries (Kowske & Anthony, 2007). In high context countries (e.g., Japan, China, and South Korea), employees tend to prefer indirect messages and rely heavily on nonverbal codes; however, employees from low context countries (e.g., Germany and Great Britain) tend to communicate directly and construct more information in messages (Hackman & Johnson, 2004). Since cooperative relationships are often observed in Asia countries, most of the Asians tend to feel individual praising will influence group harmony, and the manager should praise the entire group rather than one specific group member (Lussier, 2005). In accordance with different cultural expectations, different cultural groups have different expectations of leadership, and this can affect the behaviors of employees and managers. It is critical that employees are aware of their leaders’ appreciation for individual cultural differences without personal bias (Nguyen & Umemoto, 2009). By doing so, the leaders can better fulfill their responsibilities of creating a multi-cultural workplace and a strategic foresight of organizational innovation.
Challenges for Global Leaders

A more flexible relationship between global leaders and their followers is essential in the workplace. Globalization, technologic innovation, demographic changes bring a tremendous transformation into human life and work. For organizations to remain competitive in the global market, a close emotional interdependent link and an ongoing development of trust and loyalty between leaders and followers must be established. A greater manager-employee relationship can significantly influence members’ behaviors and increase the degree of their commitment to the leader and the organization (Lussier, 2005). The relationship can be enhanced by spending time together and considering the members’ needs, expectations, and values. Global leaders cannot have an outstanding performance without the ability to guide and influence employees to work toward the organizational goals.

Technology plays a significant role in global policies, economics, and culture and shapes the structure of the global system (Fritsch, 2011). Technological advancement has not only saved time and money for a greater organizational profit and a better quality of life but has also created a global village with shared regulation, language, and values. The business and the nature of work are changed by technology (Aggarwa, 2011). It makes distance learning and telework happen. Online learning is a commonly used training strategy, and both web meeting and e-mail are must-have tools for organizational communication. Virtual workforce, virtual organizations, and e-leadership are also emerging from technology development. Different leading approaches are thus required in the new virtual working environment (Wang, 2011). However, it also creates problems of distance and disconnection on human relations. As technology has made its progress and impact on global organizations, traditional
leadership can no longer fully assist managers to lead the employees who work at different places or nations. International organizations demand the cross-cultural managers using appropriate leadership skills to inspire and influence diverse employees. There is a strong consensus that acquisition of effective leadership skills will bring the organization through global transformation chaos and contribute to a sustainable advantage (Amagoh, 2009; Caligiuri & Tarique, 2012; Ulrich & Smallwood, 2012).

**Essential Leadership Skills for Success as a Global Leader**

Global leaders should understand globalization has differing effects on countries and people (Swanson & Holton, 2009). Since global leaders’ job functions and responsibilities are more complex and difficult than before, a future-oriented and flexible leadership style is required. Organizations need specific leadership development approaches for effective leadership and organizational performance (Amagoh, 2009). To keep pace with the rapidly changing environment, leaders need more interpersonal skills to meet current and future challenges. The following are essential leadership skills that global leaders should possess:

1. **Develop Self-Awareness**

   **Identify self-strengths and -weakness.** Global leaders need to conduct a self-awareness test or assessment to identify self-strengths and -weaknesses (Dubrin, 2004). It is important for the leaders to understand their individual reactions to situations and approaches to decision-making. Knowing self-limitations (i.e., strengths and weaknesses) and behavioral patterns can help the leaders perform more effectively in cross-cultural settings (Frost & Walker, 2007). Being able to overcome
stereotypes and capitalize on one’s advantages are keys to global leadership practice. To further benefit from identifying self-limitations, leaders may use results to structure a unique and personalized leadership style. For example, female leaders might use empathy and collaboration as their leadership traits since they tend to work best in a cooperative relationship that brings great voices into the workplace and consequently increases the team work quality and performance outcome.

**Appreciate individual differences.** Global leaders face a tremendously complex, multicultural world which requires appreciation of individual uniqueness (Holt & Seki, 2012). Each individual has particular behaviors that are shaped by cultural background, life experiences, and values. To better understand cross-cultural issues, international leaders should learn each employee’s demographics and appreciate the diversely valuable inputs they bring into the workplace (Parvis, 2003).

**Close the cultural gap by looking at similarities.** Focusing on differences between oneself and others is not an absolute means to solve interpersonal problems. Kowske and Anthony (2007) identified that leadership competence is conceptualized similarly when individuals have similar geographical regional backgrounds (e.g., Anglo and Latin American). Looking at similarities (also commonalities) rather than differences in people can be a good approach in assisting global leaders to communicate and lead more effectively (Cranford & Glover, 2007). Leaders can thus build relationships and close the cultural gap within a group.

**2. Understand Cultural Stereotypes**

**Avoid stereotyping and personal biases.** Global leaders need to understand local culture, stand in the employees’ shoes, and be open minded to differences (Frost & Walker, 2007). Understanding cultural stereotyping helps leaders overcome
personal bias and value others in a diverse workplace. Personal biases against foreigners or people who are different from oneself can cause failures in finding qualified employees and building employees’ trust, as well as their commitment and productivity (Dubrin, 2004). It is important for leaders to be objective in leadership practice without making assumptions. Leaders also need to lead by example to let employees believe ethical behaviors (e.g. respecting the difference of others and avoiding personal bias) are seriously emphasized in the organization (Roy, 2012). Through cultural awareness and sensitivity, organizations can then have a better chance of success in global competition and adequate return on investments (Okoro, 2012).

**Lead people with respect.** A key for employees to achieve their full potential is to treat them with respect (Choan, 2003). Respecting every individual is a key principle of effective leadership that incorporates other aspects of morality. People have different expectations of how they like to be treated based on their cultural backgrounds and values. By respecting individual character traits and unique attributes, global leaders can avoid cultural stereotypes and unleash the full potential of workers in a diverse workplace.

3. **Increase Self-Assurance**

**Understand competitors.** A true leader must cultivate his or her capability and self-assurance to assist employees build confidence and enthusiasm (Weiss, 2004). To increase leaders’ self-assurance, one can begin with understanding the competitors. Studying competitors’ culture, business strategy, organization performance, etc. can enhance leaders’ competitiveness in the global market and increase organizational outcomes. It is also important for leaders to extend the knowledge of international
business and strengthen technical skills in management and leadership practice.

**Stay one step ahead of the game and be enthusiastic to challenges.** Effective global leaders need to be results-oriented, achievement driven and forward thinking (Gutierrez, Spencer, & Zhu, 2012). They must have the ability to quickly respond to problems and make proper decisions from divergent aspects (Rausch, Halfhill, Sherman & Washbush, 2001). They also need to be able to identify opportunities swiftly and be capable of turning challenges into opportunities. Most importantly, global leadership is about initiative, trustworthiness, integrity, and enthusiasm of performance (Flaum, 2002).

4. **Look at a Bigger Picture**

An outstanding cross-cultural leader thinks globally and leads locally (Gutierrez, Spencer & Zhu, 2012). Global leaders should not microprint the world market and satisfy what had already been done. It’s necessary for the leaders to step back and look at a bigger picture to find out what is currently going on and anticipate future challenges. They must look at the challenges as a lifelong endeavor and an opportunity for organizational and individual growth. From a global perspective to evaluate and predict future challenges, leaders need to look beyond the current situation and think outside of the box by continuous learning and self-development to overcome traditional thinking, using multiple senses when seeking solutions, and staying alert to opportunities (Dubrin, 2004).

5. **Create a Vision and Be Able to Sell It**

A vision must be realistic, match with environmental challenges in the future and value the organization, stakeholder, and customers as a whole. To create a vision and
bring the organization to the next level, global leaders must have the abilities to recognize and connect global trends with organizational development plans (Lussier, 2005). Leaders must be able to create a vision for how to effect positive changes that fit organizational goals and global trends. Most importantly, leaders need to be able to sell their vision to employees by effectively communicating with employees, getting employees’ buy-in, and influencing employees to work toward the vision (Cranford & Glover, 2007).

6. Develop a Global Mindset

It is critical for global leaders to enrich his or her cultural intelligence (Lovvorn & Chen, 2011). By doing so, their international experience can be transformed into a global mindset (Lovvorn & Chen, 2011). A global mindset is one special trait of international leadership which is associated with trust, manager-employee relationship, and organizational commitment (Story & Barbuto, 2011). The development of a global mindset also involves cultural intelligence and global business orientation (Story & Barbuto, 2011). Effective global leaders tend to have mental models that offer valid ways of viewing and handling the complex issues in leadership practice (Johnson, 2008). Leaders need to be open-minded, think globally and act swiftly to maintain their competitiveness in multicultural organizations and global markets. Additionally, leaders could also engage transformative learning in leadership development that focuses on not only critically reflecting on individual behaviors and assumptions but also effectively creating means of understanding and acting upon the environment (Johnson, 2008).
7. Gain and Offer Supports

**Gain ongoing support from all levels of the organization.** It is often an issue of gaining ongoing support from subordinates and superiors when the global leaders are enthusiastic to form or interlock changes for organizational development. Leaders must develop a support system – a network tactic for developing teamwork and leadership successions (Lussier, 2005). Being more visible and accessible to employees can enhance the manager-employee relationship, create a positive organizational climate, and increase overall productivity.

**Provide supports to people and organizations.** Global leaders should also learn to offer their support to employees especially during the period of organizational change. Collaboration and exchange of information and creative ideas are encouraged to promote an innovative, open and supportive working environment that is necessary for leadership effectiveness (Dubrin, 2004; Roy, 2012).

8. Build Effective Communication Skills

**Develop verbal communication skills.** Global leaders also need cross-cultural negotiation skills to maintain international competitiveness (Okoro, 2012). They need to be able to ask questions and exchange messages effectively because diverse personalities and characteristics can easily cause misunderstanding and misinterpretations. Words and tone must be used carefully in order to deliver the message accurately while maintaining a good relationship. Thus, global leaders are recommended to receive training in interpersonal relationship and group communication competence (Okoro, 2012).

**Develop nonverbal communication skills.** Actions speak louder than words. The global managers must be cognizant of their nonverbal language and be aware of
acceptable behaviors, as well as restrict behaviors, in different cultures. For example, when a Japanese businessperson gives a gift, it normally means a gift to welcome or for appreciation rather than a bribe; similarly, returning a gift is considered polite (Lussier, 2005). In some cultures, such as Brazil, kisses and hugs are the norm of greeting while other countries, such as China, nodding heads and smiling or shaking hands are used for greeting. Because of cultural differences, people have various perceptions of personal space, touching, eye contact, etc. Global leaders need to fully understand what these nonverbal behaviors are and the messages they represent.

**View each communication as an opportunity to sell a vision and develop a relationship.** Both verbal and nonverbal communication skills are applied in leadership practices. Note that open and honest communications can build a solid connection between the leader and followers, as well as develop respect and trust in the leadership (Mendez-Russell, 2001). Effective communications can construct the leader’s credibility and increase employees’ commitment and loyalty to the leader and the organization (Choan, 2003). Therefore, every communication opportunity should be treated as an opportunity to sell the leader’s vision and to enhance relationship with employees.

**9. Search For and Utilize Available Resources**

The current technologically explosive era creates a global village where people work together without geographic and psychological boundaries. The fast-growing technology development not only helps the organization increase its production and profit but also assists leaders enhance efficiency of team work and activities (Dubrin, 2004). Abilities to use innovative technology products (e.g., video conferencing, instant messaging, e-mail, etc.) are important technical skills to promote global
leaders’ interpersonal skills and international leadership practices (Roy, 2012). In addition, extant scholarly research provides useful and effective theories, experimental findings, and frameworks such as leadership theories and strategic approaches that can be adopted and utilized to increase the effectiveness of leadership practices in the field (Swanson & Holton, 2009). Leaders could acquire valuable information from literature and adjust their leadership styles or strategies to better fit for the organizational needs and future challenges.

However, because of advanced technology, people do not have as much as face-to-face interactions as formerly. Limited physical contact challenges global leaders to lead and influence those off-workplace employees. To solve technological disadvantages in leadership practices, leaders may overcome the barriers via different leadership approaches and management policies. Moreover, because of increased numbers of multinational companies and increased interdependences of nations, there is no generally accepted theory of cross-culture leadership (Punnett & Shenkar, 2004). Global leaders must carefully use the available leadership theories or models because what is applicable and successful in one country may not necessarily deliver the same results in another country. It is important to note that most available theories or models of leadership were developed in the West and that may unwittingly insert Western bias into findings and conclusions (Lussier, 2005). Since different countries have different perceptions about leadership, one key of being successful in global leadership practice is to study and get to know the employees, organizations and global trends.
10. Create Appropriate Motivational Techniques

Effective global leaders need to be able to establish trust, motivate team members, and foster a team spirit (Roy, 2012). Creating appropriate motivational techniques (e.g., reward and recognition) can stimulate employees’ performance and increase their feelings of appreciation and belonging (Swanson & Holton, 2009). To use reward as a motivational technique, the reward must be fair, announced, and changed periodically to ensure employees will not lose interest in striving for a reward (Ventrice, 2003). Moreover, global leaders can also motivate employees by promoting multiple cultural backgrounds and values (Frost & Walker, 2007). In other words, showing empathy for others and giving appreciation of different values, as well as beliefs and experiences, can motivate employees and retain the best employees.

11. Take Social Responsibility Seriously

Today’s leadership is expected to promote corporate social responsibility, an important concept in dealing with stakeholders (Smith, 2011; Strand, 2011). Organizations are expected to provide their social concerns of the community and social responsible to various stakeholder groups by consumers (Smith, 2011). Consequently, global leaders have their social responsibilities to create a pleasant workplace which directly affects human well-being. To fulfill their social responsibilities, Dubrin (2004) suggested the following four actions: creating a comfortable and pleasant workplace, helping others to preserve the environment (such as managing toxic waste), being involved in political welfare (such as advocating against unjust child labor), and engaging in philanthropy (such as donating money to
charity and various causes). Social responsibility is not a slogan. It has to be put into actions.

A variety of aspects of global leadership and essential leadership skills for success as a global leader were discussed above. For a better understanding, Figure 1 portrays the elements of essential leadership skills to deal with challenges in diverse workplace development.

![Blended Organizational Culture](image)

**Figure 1.** Essential skills for leadership effectiveness in the diverse workplace development

**Conclusions and Recommendations for Future Research**

Due to globalization, technologic innovation, and demographic changes, international organizations are seeking effective leaderships for diverse workforce
management. Leadership in such global environment conditions involves cultural awareness, global mindset, interpersonal skills, and effective manager-employee relationships. Global leaders need to develop leadership skills demanded in a global context. Eleven essential skills for leadership effectiveness in the diverse workplace development were identified in this study for global leaders who intend to (a) cultivate human potential of employees, (b) enhance the overall organizational performance, (c) take social responsibility, and (d) obtain skills in international leadership and cross-cultural human relations. The basic premise is global leaders need to constantly update their leadership knowledge, skills, and abilities for effective leadership performance in diverse workplace development and cross-cultural management, as well as for the competitiveness in the global market.

International business management and human resource development communities would be beneficial by continually exploring and empirically investigating the essential leadership skills for global leaders. Future research that compares global leadership strategies across international organizations from various countries will be of great value to global leadership practice. Another avenue for future research involves the use of qualitative methods to examine dynamic cross-cultural competencies on virtual working environments, which may further explore the global dimensions of leadership development practices.
References


