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Effective leadership: what kind of skills and competencies should a cross-culture leader possess?

1. Introduction

The unique character of conditions in which contemporary organizations find themselves functioning nowadays can best be captured by a quote from Heraclitus: "Change is the only unchangeable thing", and clarified further by a statement from I.I. Mitroff, who said that "for all practical purposes, all business today is global" [Adler N.J., 2002, p. 236]. The constantly progressing globalization of business entails changes in strategy, structure and managers' competencies. The way of leading organizations is continually transforming, prompted by ongoing demographical changes, the emergence of new work ethics, unprecedented development of information technologies, increasing role of education and science, growing significance of flexibility in organizations, and also due to uncertainty, both internal and external, aroused by these unrelenting changes internal and external uncertainty resulting from ongoing changes and linking individual initiative with organizational goals [Karaszewski R., 2010, p. 407]. One of the challenges up to which organizations must face today is the rapidly increasing heterogeneity of their staff. For many reasons, cross-cultural cooperation presents an overwhelming problem (particularly in the case of intercultural personnel) for all the involved parties. We come from different cultural backgrounds, imbued with different systems of values determining the way in which we perceive, interpret and react to the world; in a work environment, where cooperation is pivotal, these differences become not only the source of ambiguity and insecurity, but also cause misunderstandings which adversely affect the atmosphere, and, consequently, its overall efficiency.

Therefore, for purely practical reasons, we can recently observe a gradual increase of interest in such issues as skills, qualities, abilities and knowledge necessary for effective leadership in a culturally diverse organization. This article aims to discuss the most frequently encountered problems arising from a high level of employee cultural heterogeneity, and, in that context, to review and analyze competence profiles of cross-cultural leaders, based on reference literature.

2. Challenges and paradoxes in managing multicultural staff

Because cross-cultural leaders have to deal with the specificity of a multicultural work environment while simultaneously attempting to reach the highest possible management effectiveness, they must be able to skillfully balance and optimize contradictory or mutually exclusive options and tendencies within the organization. According to B. Fisher–Yoshida and K. Geller [2008, pp. 48-49], these challenges, often intrinsically self-contradictory, can be divided into following categories:

1. paradox of knowing
2. paradox of focus
3. paradox of communication
4. paradox of action
5. paradox of response

Re 1. Paradox of knowing refers to the situation in which *a cross-cultural leader is conscious of, and respects both his own and a foreign culture.* On the one hand, it seems commendable that a leader who has to work with culturally diverse staff should be able to „suspend" his own cultural background, and forgo, for the time being, his own values and principles, while he embraces the new, foreign ones. However, such process calls for very specific personality traits and requires investing a tremendous amount of cognitive energy and time into getting to know other cultures, while these particular commodities cross-cultural leaders, given the highly demanding character of their work, can hardly afford to spare. It has been established that in order to be successful in that area, leaders must:

– cultivate cultural sensitivity;
– develop awareness and knowledge regarding formative factors responsible in a given culture[1] for shaping the mindsets of individuals in respect of perception, feelings, concluding and reacting. It entails familiarizing oneself with fundamental principles, rules, standards, assumptions, meanings, ideas, values and beliefs specific for these cultures;
– be aware of the ways in which these conditions might influence group processes;
– be able to refrain from passing judgment;
– be capable of self-criticism.

[1] Both his own, and foreign cultures.

On the other hand, when a manager meets all the above conditions, having accepted and internalized foreign values and behavioral models, he loses credibility in the eyes of his staff [2], and additionally suffers on a personal level, as he succumbs to a cultural identity crisis.

Re 2. Paradox of focus ensues from *the tension between individual focus and group focus*. In individualistic cultures taking individual, independent decisions is viewed as natural. Also, confrontations of opposite points of view are considered standard procedure and do not adversely affect relationships between colleagues in a workplace. The same refers to evaluating by managers the competencies of employees and partners; that the results of that evaluation are taken into account and affect management's future decisions is also seen as natural. In contrast, in collectivistic cultures, an employee who has taken an independent decision, instead of drawing praise may be viewed as disrespectful towards other coworkers, his action considered selfish, sometimes to the point of being interpreted as a breach of loyalty. Similarly frowned upon in collectivistic cultures is a management style which favors confrontation of opposing ideas, or relies in decision-making on employee competence appraisal, instead of considering, in that respect, the character of relationships existing between the workers. Also worth noting is the fact that the individualistic approach is defined by a lesser, in comparison with the collectivistic one, distance between management and staff. Different cultural conditioning teaches people to perceive different things as normal, or unquestionably natural and humane [compare Ferraro G.P., 2002, p. 4]. Therefore, a culturally diverse organization is a place where antagonistic expectations and standards are bound to clash. Leaders of multicultural teams are faced with the necessity to embrace these frequently rival perspectives, and make them work effectively and harmoniously together.

Re 3. Paradox of communications results *from lack of common ground between direct and indirect communication styles*. Different cultures have different communication styles and patterns, which, internalized since childhood, are considered by representatives of these cultures the only natural and rational ways of expression. In direct communication style cultures, agents are expected to express their feelings and emotions freely during interaction. Appreciated is expressiveness and clarity of communication. The goal is stated directly, and the speaker makes every effort to get the message across to the listener as clearly as possible, to avoid any possible misunderstandings. Conversely, in cultures representative of indirect communication style, the speaker's emotions should never be reflected in the message, nor should they in any way affect its form. The speaker's intentions and expectations should be articulated subtly, and alluded to, rather than stated openly. Emotional restraint is highly advised and

[2]   In the eyes of his staff his actions cease to be intelligible and rational. A 'denationalized' manager is viewed as a stranger in either culture, and his actions are often perceived as being too cautious.

appreciated. In practice, conforming to these two entirely opposite standards is impossible. When dealing with a group consisting of persons with such mixed communication „defaults", the paradox of communication becomes painfully obvious; communication is the basis of all action, and its quality affects the performance of the whole team. A partial remedy, devised to help cross-cultural leaders deal with the problem, are thought to be training classes in dialogue techniques, focused on overcoming culture-specific differences in communication styles.

Re 4. Paradox of action. This paradox describes *culture-specific differences in styles of operation,* which, according to B. Fisher–Yoshida and K. Geller [2008, p. 47] can be either „process participative" or „process formative". A style specific for a given culture determines the way in which this culture approaches tasks, and also what values it appreciates the most, and what it sees as priorities. In organizations preferring the „process participative" approach, a manager who does not get involved, who does not devote his time to explain, understand, think through and plan every stage of the task, will elicit neither the support, nor the commitment from his team. On the other hand, staff members accustomed to the „process formative" style, will expect concrete decisions and prompt acting upon them; they are also more likely to focus on estimating possible losses, instead of concentrating on long-term advantages a given activity may bring. Having to cooperate with a team discordant in this respect, a manager faces another paradox. How he manages to cope with it to a great extent affects the credibility of his competency in the eyes of his employees, as well as his prestige, level of commitment of his subordinates to the task, and the organization itself.

Re 5. Paradox of response. This type of paradox ensues from the differences between short-term orientation cultures and long-term-orientation ones in defining such fundamental categories as *future, present* and *past* (and, consequently, in defining notions such as *punctually, already/yet, in a moment, soon*), and from discrepancies in *understanding the notion of responsibility for the consequences of currently undertaken actions.*

Aside from the paradoxes listed and briefly discussed above, a leader in a multicultural organization must also be prepared to face, in the case of geographically dispersed companies (virtual teams, where employees work together on a long-distance basis), other challenges, such as [Brake T., Walker D.M., Walker T.T.,1995, p. 229]:
– absence of, due to time zones differences, common business hours reflecting the regular working schedule in a given country;
– no possiblity of direct, face to face contact (communicating solely via phone, videoconferencing, e-mail, intranet/Internet);
– differences regarding the status in various cultures of age, sex, origin.

It is worth noting here that just as there is no authoritative way of defining leadership[3] as such, it is equally difficult to provide a definitive profile of a cross-culture leader. In the case of the latter much depends on cultural makeup of the team, with whom and where they have to work, and how their work is organized from legal and technical perspectives. Still, efforts are being made to discern and describe the key factors that may contribute to the performance and effectiveness of cross-culture leaders, while simultaneously indicating that in their actions they should respect one universal rule: act "global as you must, local as you can" [Fisher–Yoshida B., Geller K., 2008, p.47].

3. The framework of cross-culture leader competency

In their book[4], which offers a comprehensive conceptual multi-faceted analysis of the term „leadership", B.M. Bass and R.R. Bass [2008, p. 23] propose to define this undoubtedly complex and multidimensional category as "the ability to influence, motivate and enable others to contribute to the effectiveness and success of organizations of which they are members". Incidentally, R. Karaszewski [2008, p. 30] arrived at similar conclusions following his survey of 222 managers employed at the biggest corporations according to Forbes Global 2000 annual ranking. He pointed out two additional aspects [Karaszewski R., 2008, p. 43]:
- leadership is an ongoing, highly dynamic process in which the driving engine is the leader's vision;
- leadership is "a function of many factors working together, comprising the leader's individual qualities, forces present in the environment, strategic perspectives, quality of his relations with his subordinates, ability of the organization to adjust to the uniqueness of the leader, his tasks, and imitators".

R. Karaszewski [2008, pp. 387-388] established[5] that a leader should be characterized by following traits and abilities:
- determination/commitment,
- insight into the future, creating visions,
- high professional competence,
- ability to inspire others,
- responsibility,
- honesty and integrity,
- ability to inspire trust,
- ability to exert influence,

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[3] There are over 350 existing definitions of "leadership" [Deng L., Gibson P., 2009, p.348].

[4] *The Bass handbook of leadership: theory, research and managerial*. The book has had three editions up to date; for thirty-five years, since it first came out, it has been considered the bible of leadership studies.

[5] In the course of the research he conducted to verify the most desirable managerial traits as defined by R.M. Stogdill; R.D. Mann, and R.G. Lord; C.L. De Vader, and G.M. Alliger; E.A. Locke, and S.A. Kirkpatrick; J.M. Kouzes, and B.Z. Posner.

–   reliability,
–   ability of objective evaluation,
–   achievement drive,
–   empathy.

Similar conclusions were also reached by S. Holt, R. Bjorklund, and V. Green. Having compared and analyzed the results of surveys conducted among managers in nineteen different countries, they have come up with a top 10 list of most desirable qualities (skills, abilities and personality traits) a cross-culture leader should possess[6] [Holt S., Bjorklund R., Green V., 2009, pp. 153-154]:

–   responsibility/commitment,
–   charisma,
–   competency/experience,
–   authenticity/integrity,
–   drive/passion,
–   intelligence,
–   vision/insight into the future,
–   courage/risk,
–   empathy,
–   eagerness.

Additionally, both R. Karaszewski and S. Holt, R. Bjorklund and V. Green note that the results distribution (frequency of indication and hierarchy of significance) are closely related to cultural conditioning of the respondees.

Comparing the above research results with the conclusions reached by V. Suutari [2002, pp. 224-226] who conducted comparative analyses of global leaders competency frameworks, it seems justifiable to mention at this point two vital positions in reference literature: the *Conceptual framework of cross-cultural leadership effectiveness,* by L. Deng and P. Gibson (figure 1), and *Factors Contributing to the Development of the Global Manager*, by T. Brake, D.M. Walker and T. T. Walker. I shall try, within the scope of this article, to present a brief summary of the content of each of these works.

During an extensive qualitative interview L. Deng and P. Gibson [2009, pp. 351-352] conducted with cross-culture leaders, they discerned an essential series of cross-cultural leadership competencies which they subsequently grouped into three categories: transformational leadership (TL), emotional intelligence (EQ) and cultural intelligence (CQ). Table 1. below features the key factors in each category, as established by L. Deng and P. Gibson.

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6   When compared, the list appears very similar to R. Karaszewski's results.

Figure 1. Conceptual Framework of cross–cultural leadership effectiveness
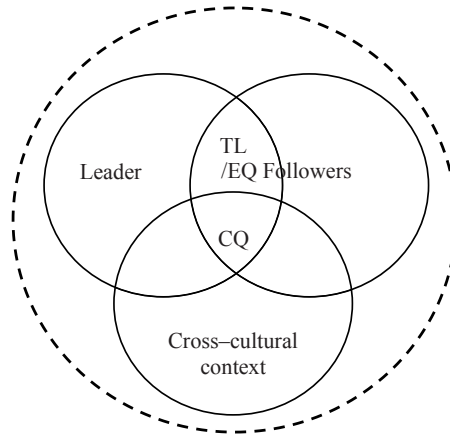
Source: [Deng L, Gibson P, 2009, p. 351].

Table 1. Factors enabling leadership effectiveness in a cross-cultural work environment:

	transformational leadership (TL)	**emotional intelligence** (EQ)	**cultural intelligence** (CQ)
Specific components /factors	— idealized influence through role modeling — inspirational motivation through vision — individualized consideration through mentoring and coaching	— self–awareness — self–management — empathy — social intelligence	— cultural awareness — motivational cultural adaptation — adaptive behavior — effective cross–cultural communication

Source: [Deng L., Gibson P., 2009, pp. 353-354].

However, according to T. Brake, D.M. Walker and T.T. Walker [1995, pp. 230], considering the specificity of challenges a cross-culture or global manager might face in a multicultural workplace, we should look for factors contributing to his success in other areas, such as:
– inclinations and personal virtues,
– competency and professional experience,

– organizational factors.

In reference to inclinations and personal virtues, the authors particularly emphasize a cross-culture leader's advantage of having multiple roots, and his exposure to cultural diversity in the immediate family (thereby he perceives a heterogenic workplace as his natural environment), also indicating as valuable in this context bilingualism and early international experience. Additionally, they regard as highly desirable such character and personality traits as: self-confidence, responsibility, curiosity, imagination, communication skills, having 'core values', career goals and expectations of life.

In reference to the second category they indicated as especially important the analytical skills and professional competency (including specialist knowledge), knowledge of other cultures acquired in the course of studies in a foreign country, acquired interpersonal skills and ability to speak foreign languages. In the area of professional experience they listed as prerequisite: early multicultural work experience, performing a broad variety of tasks in the course of professional life, and early experience in performing tasks requiring taking responsibility.

Among the organizational factors determining effective cross-cultural leadership they named: acting on behalf of the organization both locally and globally, horizontal organizational structure, clearly defined career paths for employees, hiring staff representative of minimum three different nationalities, ensuring high quality of communication processes, careful consideration when establishing professional selection criteria and making sure they are observed, encouraging development of mentoring relationships between supervisors and subordinates, and expressly show respect for all cultural factors.

The two frameworks of cross-cultural leadership competency proposed by L. Deng and P. Gibson, and T. Brake, D.M. Walker, and T.T. Walker, respectively, not only do not stand in opposition to each other, but they appear to be mutually complementary.

4. Conclusion

The complexity of issues related to the notion of leadership, and especially leadership in a multicultural organization, makes it impossible at this point to formulate unequivocal solutions. The frameworks presented above should be regarded merely as guidelines indicating what factors may turn out to be significant and advantageous for the organization from the standpoint of cross-cultural management effectiveness. Nevertheless, in the face of growing importance of issues related to the subject, such efforts are well worth taking, for as G. Colvin noticed, in his introduction to a special report for *Fortune* magazine: "Your competition can copy every advantage you've got - except one. That's why the world's best companies are realizing that no matter what business they're in, their real business is building leaders" [Colvin G., Demos T., Mero J., Elliott J., Yang J.L., 2007, p. 98].

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Abstract

The article outlines fundamental challenges and paradoxes related to managing a multicultural team, and describes and analyzes, based on reference literature, areas and individual characteristics contributing to the effectiveness and success of a cross-culture leader.